SOCIAL SECURITY IN CANADA 1969

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(3)

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FOREWORD

Canada spent an estimated $6, 553 million on social security in the fiscal year of 1967-68, or about 10.4 per cent of our Gross National Product. These expenditures which are now large and are expected to increase substantially over the next several years cover a wide range of programs which provide income support and health and welfare services to many Canadians.

With such vast sums of money involved it is important that we understand how this money is being spent, which programs are provided and what role these programs play in our overall social security system.

A number of books and articles have described particular social security programs or groupings of these programs or have dealt with the social security system as a whole. These, for the most part, detail specific programs and their operations, but while these descriptions are most important, little attempt has been made to indicate the interrelationship between programs or to go beyond these programs to focus on the people and on the problems for whom the programs were designed. This booklet, Social Security in Canada, attempts to show how social security programs serve each of the major categories in our population in turn - persons in need, older people, surviving dependents, children, disabled persons, unemployed persons, persons requiring health care, injured workers, farmers, fishermen and seamen, Indians and Eskimos, and immigrants and, at the same time, gives an overview of Canada's social security system today. In so doing, it goes beyond what are normally regarded as social security programs and deals also with related social and economic programs. This effort has taken us beyond the programs which are the responsibility of the Department of National Health and Welfare to programs operated by other federal departments and agencies as well as to programs administered by the provinces.

We are pleased to acknowledge the assistance received from officials in the Departments of Labour, Manpower and Immigration, Agriculture, Forestry and Rural Development, Fisheries, Indian Affairs and Northern Development and Veterans Affairs, the Dominion Bureau of Statistics, the Central Mortgage and Housing Corporation and the Unemployment Insurance Commission.

This present issue of Social Security in Canada is Memorandum 18 in the Social Security Series of research publications prepared in this Directorate, replacing the first issue, Memorandum 17. It has been prepared by Mr. John I. Clark, Principal Research Officer, Social Security Research Division, with the assistance of his staff, and the staff in other divisions in the Directorate and of this department, and of officials in the federal government agencies mentioned above.

John E. Osborne

John E. Osborne, Director,
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CHAPTER I - INTRODUCTION

Canada has developed a variety of approaches to income security and to the provision of health and welfare services. These programs are referred to in this publication as "social security" programs although some of them do not fall within the generally accepted definition of "social security". The Canadian social security system has developed over many decades. However, the comprehensive nature of the system and the high level of expenditures associated therewith are a comparatively recent development, largely of the past twenty-five years.

The development of social security measures in Canada can be discussed in terms of three distinct stages -- the first stage being the period up to the first world war; the second, the war and inter-war period; and the third, the period of the second world war and the years since then.

In the first stage, social security measures were minimal and took a long time to develop. These social security measures were shaped by the local and regional nature of social and economic needs as reflected by the stage of economic development which then existed. As the country grew and expanded, the initial private and local social measures were supplemented by more far reaching measures such as: provincial child welfare legislation, provincial ownership or control over establishments for the mentally ill, mentally retarded, tuberculosis, the blind, and the deaf, and the Annuities Act in 1908 which marked the beginning of federal legislation in old age income security in Canada.

In the second stage, from the beginning of the first world war to the second world war, there were several factors that altered the shape and structure and influenced the growth of social security in Canada. Rapid industrialization in the first world war and thereafter, the economic and social dislocations of the great depression of the 1930's, and the internal migration from rural to urban centres not only increased the magnitude of social and economic needs but changed the nature of these problems from local to regional and national. These factors, coupled with increasing costs of social security which became too onerous for local authorities, shifted the emphasis of social security planning from local to provincial governments and to the federal government. While social security developments were not extensive at this stage, a number of important programs were initiated including provincial workmen's compensation and mothers allowances programs, and the federal-provincial provision for old age pensions.

One of the first steps in the development of a modern social security program was the introduction of the Ontario workmen's compensation law in 1914. It embodied the principles of collective liability and state insurance and inaugurated a new approach for the protection of workmen suffering from temporary or permanent disability, illness or death arising from their employment by providing medical aid and cash benefits during the period of incapacity for work as well as accident prevention programs. This law set a legislative pattern which was followed by similar programs in the other provinces. A further significant step in the field of workmen's compensation was the development in Ontario some years later of a comprehensive rehabilitation service for disabled workmen. Since that time other provincial workmen's compensation boards have also developed similar programs.

It was during this stage that the first provincial mothers allowances program was established in Canada. The Manitoba legislature passed legislation to assist needy mothers and their dependent children in 1916, and in the years that followed other provinces passed similar legislation.

The first major intervention by the federal government in the field of income security occurred in 1927, when the Old Age Pension Act was passed. The program provided for federal sharing in the cost of provincial pensions to persons 70 years of age and over who qualified under a means test, which took into account both the income and assets of the applicant. Pension legislation of this type had been implemented some decades earlier in several countries including Denmark, New Zealand, Australia, and the United Kingdom. The Canadian legislation adapted this approach to a federal state by offering grants to provinces conditional upon their enactment of appropriate legislation. In the years that followed, this approach was the basis for similar legislation for blind persons (in 1937), for old age assistance commencing at the lower age of 65 (in 1951) and for allowances for totally and permanently disabled persons (in 1954).

The widespread unemployment during the depression of the 1930's forced the development of a number of unemployment assistance measures as the provinces sought federal intervention to assist provincial and municipal governments in meeting the heavy costs arising from this situation. It was in this setting that the federal government took steps to establish a national program of unemployment insurance. Legislation passed in 1935 was declared ultra vires of the Federal Parliament in 1937. After a constitutional amendment was passed bringing unemployment insurance within the jurisdiction of the Federal Parliament, federal unemployment insurance legislation was passed in 1940. This legislation also provided for the establishment

of a national employment service. The Canadian legislation followed the pattern of the British legislation. It utilized the British concept of social insurance with tripartite contributions from employers, employees and the government, rather than the United States' concept of unemployment compensation with experience rating (by which an employer with a low unemployment experience pays a lesser tax than one whose experience rate is higher) but provided a system of graded benefits rather than flat-rate benefits as under the British program.

The third stage, and the era of greatest growth of social security in Canada, has been the period during and following the second world war. It is important to note that this has coincided with a period of great industrial expansion and economic growth. Under these conditions, it was possible to finance much more easily the new and expanded social measures needed to deal with the many and varied social and economic problems which had been emerging and had become more pressing.

It was during this stage in the development of social security in Canada that a new approach to income security was adopted. Programs were introduced providing for universal payments to virtually all persons either below or above a specified age, redistributing income in favour of families with children and youths on the one hand and of older persons on the other.

In the field of old age income security, Canada followed an approach similar to that adopted by New Zealand and Sweden in providing universal flat-rate old age pensions. The introduction of the Canadian old age security program in 1951 represented one of the most ambitious ventures Canada has ever undertaken in the social security field. Under this measure a pension of $78.00 a month is now paid to all persons 66 years and over, subject only to a minimum duration of residence qualification.

The other two programs providing universal payments are family and youth allowances.

To complement these universal payment programs, Parliament in 1965 established the Canada Pension Plan, a comprehensive social insurance program which makes provision for retirement, disability and survivor's pensions. Contributions to this program began in 1966. Payment of retirement benefits commenced in 1967, while payment of survivor's benefits started in 1968. The earnings-related retirement pension provided under the Plan is added to the flat-rate old age security program. Full retirement benefits will be payable after a ten-year transitional period. Canada Pension Plan benefits will be automatically adjusted for changes in wage levels and for increases in the level of

consumer prices; the old age security pension is also adjusted for increases in the consumer price level. The Canada Pension Plan legislation, in line with our political structure as a federal state, provided that the Plan would not apply in any province establishing a comparable pension plan. The province of Quebec introduced such a Plan called the Quebec Pension Plan. The Canada and Quebec Pension Plans are co-ordinated to provide one nation-wide system of contributory pensions. Under this system an effort has been made to cover almost the whole labour force on a compulsory basis.

Another approach to the provision of income security for the aged was introduced in December 1966 with the passage of legislation providing for a guaranteed income supplement for all old age security pension recipients who because of their age would be assisted only slightly or not at all by the Canada and Quebec Pension Plans. The Plan came into effect in January 1967, and in 1969 guarantees a minimum income of $1,310 a year to a single pensioner and $2,620 to a two-pensioner family. This concept of a guaranteed minimum income represents an important new feature in Canada's social security program, in that it utilizes an income test, rather than an income-and-assets test, for determining eligibility.

Significant advances have been made in health protection through the establishment of a federal health grants program in 1948, a national system of hospital insurance in 1958, a federal health resources fund in 1966 and the medical care insurance program in 1968. Under the federal hospital insurance legislation, Canada shares the operating costs of hospital care provided by active treatment, chronic and convalescent hospitals under provincially administered hospital insurance plans. All provinces participate in the program which provides that a comprehensive range of in-patient services must be made universally available to all residents within each province; federal sharing in the cost of out-patient services is also provided on an optional basis.

In the field of medical care, seven provinces administer public programs of insured physicians' services. In five of these provinces -- Newfoundland, Nova Scotia, Manitoba, Saskatchewan and British Columbia -- the cost is shared with the federal government under provisions of the Medical Care Act of 1966, which became effective on July 1, 1968, and most or all of their eligible populations are protected. Ontario and Alberta have public programs which protect a significant proportion of their respective populations. Alberta began participating in the national cost-sharing plan on July 1, 1969, Ontario on October 1, 1969 and it is anticipated that the remaining provinces will join within a year or two.

A variety of provisions for health care for social assistance recipients is provided across Canada, and the federal government shares half the cost of such care, including medical care, drugs, prosthetic appliances and optical and dental services, under the Canada Assistance Plan. Physicians' services are also covered under this Plan in those provinces not yet operating programs as participants in the federal Medical Care Program. Special groups such as sick mariners, veterans, disabled workmen, members of the armed forces, and Indians and Eskimos have separate medical care programs which have been in force for many years. The ten years 1956-1966 witnessed a significant growth in the number of persons covered voluntarily by private medical insurance in Canada. The development of public plans under provincial government administration has resulted in a membership decline of private plans in the past couple of years.

The federal government provided federal grants-in-aid to the the provinces to assist with the cost of unemployment during the 1930's. During the 1950's, pockets of unemployment appeared and it became necessary to provide protection beyond that of the federal unemployment insurance program. Remedial action was taken in two ways. The scope of unemployment insurance was expanded to assist persons whose benefits were being exhausted because of seasonal unemployment, and new groups of employees were brought into the program. In addition, a federal unemployment assistance program was introduced in 1956, through which the federal government would share half the cost of provincial assistance payments. This legislation was amended the following year so that the federal government shared in the cost of assistance not only for employable unemployed persons but also for unemployable persons previously excluded. This had the effect of converting the unemployment assistance program into a general assistance measure.

Perhaps the most significant development in public assistance in Canada occurred in 1966 with the passage of the Canada Assistance Plan. Under this program the federal government has provided a basis for the co-ordination of federal-provincial public assistance measures. Where there were formerly four federal-provincial programs - for the aged, the blind, the disabled and the unemployed - the provinces may at their option under the Canada Assistance Plan combine them into one single program. For the first time, there is federal sharing of the costs of provincial programs for needy mothers and their dependent children.

The Canada Assistance Plan is a measure for supporting the integration, broadening and improvement of provincial and municipal public assistance programs and encouraging the extension and development of welfare services. Under it, contributions amounting to fifty per cent of shareable costs are made toward provincial and municipal expenditures for public assistance and welfare services.

Canada's social security system thus consists of a number of programs utilizing different techniques, including social insurance, social assistance, universal payments, guaranteed income, and direct and indirect provision of services. These measures have evolved slowly and have been shaped by constitutional, political, financial, economic, and social forces over the past half century.

CHAPTER II - AVAILABILITY OF SOCIAL SECURITY TO SPECIAL GROUPS IN CANADA

This part describes how the needs of certain groups in Canada are met by social security measures now in effect.

PERSONS IN NEED

Assistance for persons in need is provided mainly under provincial social assistance programs. The costs of these are shared with the federal government under the Canada Assistance Plan. The federal government also shares in the cost of assistance to persons in need under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act which are administered by the provinces. Veterans in need, and needy Indians and Eskimos are assisted under special federal government social assistance programs specifically designed for these groups and are discussed separately in this publication. In certain areas public housing is provided to persons with incomes below a specified level.

(a) Provincial Social Assistance Programs

All provinces make legislative provision for assistance to persons in need and their dependants, including mothers with dependent children and those whose benefits under other social security programs are not sufficient to meet their needs. A number of provinces have eliminated categorical programs for the aged, blind, and disabled and now aid needy persons under a general program in which there is only one criterion - that of need, irrespective of the cause of need. In other provinces assistance to categories of persons with long-term need, such as mothers with dependent children, disabled persons, and the aged, including in two provinces, widows of 60 years of age or over, is administered by the provincial authority; aid to persons with short-term need is administered by the local authority.

The provincial departments of public welfare set rates of assistance and conditions of eligibility. They have regulatory and supervisory powers over municipal administration of assistance, and require certain standards as a condition of provincial aid. Length of residence is not a condition of aid in any province. In four provinces, however, municipal residence determines the financially responsible authority with the provincial authority taking responsibility for persons who lack municipal residence.

In addition to allowances to cover items of basic need, such as food, clothing, shelter, fuel and utilities, all provinces make provision for items of special need and for welfare services, such as rehabilitation services, expenses incidental to education or obtaining employment, counselling, and homemaker services. Health care is also provided (see page 65). Assistance may also take the form of institutional care. Institutions for the aged and infirm as well as for children are operated under provincial, municipal or voluntary auspices.

(b) Canada Assistance Plan

The Canada Assistance Plan, 1966, provides a single administrative framework for federal sharing with the provinces in costs of assistance and of certain health and welfare services for persons in need.

The Canada Assistance Plan has largely superseded the Unemployment Assistance Act in all jurisdictions except the Northwest Territories and the Yukon Territory. The Unemployement Assistance Act remains in effect in three provinces to cover cost-sharing in certain residual means test programs not shareable under the Canada Assistance Plan during a transitional period while these are being converted to needs test programs. The provinces have the option of continuing separate administration of old age assistance, blind persons allowances and disabled persons allowances or of amalgamating these with their general programs where costs are shared under the Canada Assistance Plan. Accordingly, a number of provinces have discontinued receipt of applications under these categorical programs, but the programs remain in effect to cover allowances for a residual group of recipients not eligible for transfer to the general program.

The Plan authorizes the federal government under an agreement with any province to share, on a 50:50 basis, the costs of assistance to persons in need and of improving or extending welfare services. It covers those costs previously shared under the Unemployment Assistance Act, 1956, that is, payments to employable and unemployable persons in need, costs of maintenance of needy persons in homes for special care such as nursing homes or homes for the aged, and costs of supplementary assistance to needy recipients of old age security pension, old age assistance, blind persons allowances, disabled persons allowances and unemployment insurance benefits. In addition, it extends federal sharing to the following costs: assistance to needy mothers with dependent children, maintenance of children in the care of provincially-approved child welfare agencies,

health care services to needy persons, and extension of welfare services designed to prevent and remove the causes of poverty and to assist persons receiving assistance to achieve the greatest possible degree of self-support.

The only eligibility requirement under the Canada Assistance Plan legislation is that of need, irrespective of the cause of need and without reference to employment status. Need is to be determined by a needs test that takes into account the applicant's budgetary requirements and his income and resources. No period of previous residence in the province is required as a condition of eligibility of assistance or for continued assistance. Rates of assistance and conditions of aid are set by the provinces but no maximum amounts of assistance are set. The resulting flexibility enables the provinces to adjust rates to local conditions and to take into account the needs of special groups by providing a differential in benefits or conditions of eligibility.

At the option of the province, separate agreements may be entered into providing for the sharing of costs of work activity projects to prepare persons in need for entry or return to employment or providing for the sharing of costs of extensions of provincial welfare services to Indians on reserves, Crown lands or in unorganized territory. The former agreement would cover 50 per cent of certain operating and maintenance costs, while the latter may provide for a federal contribution in excess of 50 per cent.

In the month of March 1967, there were 743, 849 recipients including dependants, of Unemployment Assistance. By March 31, 1968, these had declined to 4, 972 due to the introduction of the Canada Assistance Plan. The federal share of Unemployment Assistance costs during the fiscal year ended March 31, 1967, was $143. 3 million, which decreased to $6. 1 million in the fiscal year ended March 31, 1968 as claims were transferred to the Canada Assistance Plan. These amounts excluded fiscal transfers made to Quebec with respect to the Unemployment Assistance program. The federal share of costs under the Canada Assistance Plan during the fiscal year ended March 31, 1968, was $225. 6 million, excluding fiscal compensation provided to Quebec.

(c) <u>Aid to Needy Veterans</u>

Needy veterans are assisted under the War Veterans Allowances and by the Assistance Fund operated by the Department of Veterans Affairs. (For further information see section on Veterans.)

(d) Aid to Needy Indians and Eskimos

Needy Indians and Eskimos are assisted under special federal programs and all receive benefits under certain general social security programs such as old age security pensions and family allowances. (See also section on Indians and Eskimos.)

(e) Low-rental Housing

Persons of low income status are in need of housing accommodation at rentals which they can reasonably afford to pay. To this end, low-rental housing has been promoted in Canada.

Under the National Housing Act the federal government is involved in promoting the construction of new houses, the repair and modernization of existing dwellings, and the improvement of housing and living conditions in Canada. Of particular concern is the provision of adequate low-rental accommodation for citizens on fixed or limited income.

Federal participation in house building dates back to the War Measures Act of 1918 which provided for loans to municipalities for the construction of veterans' housing. The current legislation is contained in the National Housing Act, 1954. Between these two Acts were the Dominion Housing Act of 1935, and the National Housing Acts of 1938 and 1944. Each served to broaden the scope of federal assistance to housing as the social need developed.

In 1945 the Central Mortgage and Housing Corporation Act was passed. It established the Corporation as the federal agency responsible to Parliament for the administration of the National Housing Act.

Under the terms of the National Housing Act, 1954, and amendments, financial assistance is available for the provision of self-contained housing units and hostel accommodation for families of low income, elderly persons, students, and physically or mentally handicapped individuals. The housing so provided may be either new construction or existing dwellings renovated and converted for the appropriate usage. Various types of agencies, both public and private, may avail themselves of this form of aid. Generally speaking, eligibility for occupancy of low-rental accommodation is linked to occupant-income. Preference is given to families or individuals who are unable to obtain suitable accommodation at a price within their means.

Central Mortgage and Housing Corporation may make loans to groups incorporated as limited-dividend companies or non-profit corporations to assist in the provision of housing specifically for low-income families and individuals. Loans to these organizations may cover up to 90 per cent of the lending value of the project as determined by CMHC, and for periods up to 50 years.

By definition a limited-dividend company is a company incorporated to construct, hold, and manage a low-rental project, and whose profits from these activities is limited to 5 per cent or less of the paid-up share capital. A non-profit corporation is a corporation constituted exclusively for charitable purposes. No part of its income may be payable or otherwise available for the personal benefit of any proprietor, member, or shareholder of the corporation.

Between 1946 and the end of 1967, 36,726 self-contained housing units and 1,115 hostel beds were provided through limited-dividend activity. The first loan to a non-profit corporation was made in 1964 and, since then, 3,956 units and 6,671 hostel beds have been made available.

In the field of public housing, assistance to provinces, municipalities, and their housing agencies, takes two forms. Under the Act a province may either enter a cost-sharing agreement with the federal government or negotiate a long term loan to finance the construction of low-rental dwellings. In the former, costs and such operational losses as may occur after completion of the project, are shared 75 per cent by the federal partner and 25 per cent by the province. The province may require a municipality to participate in the 25 per cent provincial share. Where a federal loan is involved, up to 90 per cent of the cost of the project as determined by CMHC, may be advanced for a term not exceeding the useful life of the project or 50 years, whichever is the lesser. If required, the Act provides for equal sharing of operational losses between the province and the federal government.

From 1954 to the end of 1967, federal-provincial partnerships - with the federal government providing 75% of the cost and the provincial government 25% - provided 10,879 new public housing units and 494 existing dwellings. Since 1964 when federal public housing loans were introduced, 11,879 new low-rental housing units were constructed and 3,280 existing units purchased under the 90% federal-loan arrangement by the end of 1967.

AGED PERSONS

Social security measures for aged persons comprise income maintenance in old age, social assistance payments, and welfare services as well as income support received under private pension plans.

The income maintenance measures are the old age security pensions, guaranteed income supplement, and Canada and Quebec Pension Plan retirement pensions. All persons satisfying the age and residence requirements are entitled to receive the old age security pension. Old age security pensioners whose incomes fall below a specified level are entitled to supplements under the guaranteed income supplement program. Contributors to the Canada and Quebec Pension Plans are entitled to retirement pensions under those Plans and their aged survivors receive survivors' benefits (see section on Survivors for further information on aged survivors' benefits). These income maintenance measures are designed to provide a minimum basic income as it is expected that a person will contribute by his own initiative, planning and savings to his own retirement income. If these sources are insufficient to meet his basic needs he can seek social assistance from the province.

More detailed descriptions of these programs follow:

(a) Canada and Quebec Pension Plan

A retirement pension is payable to qualified retired contributors to the Canada or Quebec Pension Plan.

In 1965, the enactment of the Canada Pension Plan added an important new component to Canada's social security system. The plan was designed to provide an earnings-related retirement pension for members of the labour force and applies to about 92 per cent of them. It also provides benefits to disabled contributors and their dependent children. At a contributor's death a lump sum death benefit together with monthly benefits are available for his widow and surviving children. The Plan commenced operation in January 1966, and the first retirement pensions were paid in January 1967.

The Canada Pension Plan does not operate in a province which has established a comparable Plan. The only province to do so is Quebec; the Canada and Quebec Pension Plans are closely co-ordinated and operate together as one and the same Plan. If an employee covered by the Canada Pension Plan takes employment in Quebec, or if a self-employed person moves his residence to that province, his contributions to the Quebec Pension Plan will produce the same benefits as if they had been made to the Canada Pension Plan. The reverse also applies. Anyone employed

in Quebec who later takes up work in any other part of the country will receive the same benefits as if he had contributed to either plan throughout.

Coverage: The Canada Pension Plan covers all employees who earn over $600 and all self-employed persons who earn $800 or more in a calendar year, provided they are between the ages of 18 and 70. Employees and self-employed persons who earn less than the above limits in a calendar year are not covered by the Plan for that year. Also excluded from coverage are casual employees, family workers and some migratory workers.

Qualifying Conditions: To be eligible for a retirement pension a contributor need only make one contribution, but a retirement pension paid on the basis of a single contribution is, of course, very small. For a disability pension the contributor must be so disabled that he is unable to pursue substantially gainful employment. Also, he must have made contributions for at least one-third of the years in which he could have contributed to the plan or for each of ten years, whichever is smaller, but for at least five years in any event. To ensure that the person has recently been attached to the labour force, he is also required to have contributed for at least five of the last ten years in which he could have contributed up to the time of his disability. To make his survivors eligible for benefits, a contributor must have made contributions for one-third of the years for which he might have contributed or ten years, whichever is less, subject to a minimum of three years.

Financing: The Canada Pension Plan is financed by contributions of employees, employers, and self-employed persons and by interest earned by the fund. The first $600 of each contributor's annual earnings is exempt from contributions. On earnings above that amount and up to the present maximum on pensionable earnings of $5,200 a year, the employee makes a contribution of 1.8 per cent, with his employer paying a matching contribution. Self-employed people, being in effect both employer and employee, contribute at the combined rate of 3.6 per cent, also on annual earnings between $600 and $5,200 provided that they earn at least $800 in that year.

Adjustment of Benefits: Canada Pension Plan monthly benefits, once they have commenced to be paid, are subject to annual adjustments in accordance with upward changes in the Pension Index. Benefits are payable no matter where the beneficiary may live whether in Canada or any other country.

The contributory limits under the Canada Pension Plan are automatically adjusted with changing economic conditions. For 1966 and 1967 the limits were $600 and $5,000. For the next eight years

these limits are adjusted by means of a specially constructed Pension Index which will reflect increases in the Consumer Price Index. The upper limit was $5,100 in 1968 and is $5,200 for 1969. After 1975, the contributory limits will be adjusted according to changes in an Earnings Index based on a long-term moving average of national wages and salaries. This method is to be used to keep pensions in line with earnings.

Administration: The Department of National Health and Welfare administers the Canada Pension Plan through its head office in Ottawa and district and local offices located in various centers across Canada. Contributions are collected by the Department of National Revenue.

Retirement Pension: A retirement pension is 25 per cent of a contributor's average pensionable earnings. His pensionable earnings include not only those earnings on which contributions were made but, also, the $600 that was exempt from contributions. In the calculation of a contributor's pension, his earnings for each year are adjusted so that they bear the same relationship to the maximum pensionable earnings in force at the time the pension begins that they bore to the upper limit prevailing in the year in which they were actually received. In this way, past earnings are revalued to their current equivalent before his average earnings are calculated. His total adjusted pensionable earnings under the program are averaged over the entire period from the commencement of the program on January 1, 1966, or from age 18 whichever is later, to the date the pension is first paid; but in no case are they averaged over less than 120 months, unless a disability pension has been paid to the contributor in the interim. Consequently, during the first ten years of the program only partial retirement pensions are payable. Not until 1976 will full retirement pensions first become payable.

After 1975, certain periods of low earnings, or no earnings at all, and the earnings themselves, can be disregarded in determining the average earnings on which retirement pensions are to be based. Pensionable earnings received between ages 65 and 70 may be substituted for lower or nil earnings of earlier periods of the same duration and the earlier periods are dropped out. In addition, 15 per cent of the contributory period then remaining and the earnings in them are dropped out, provided that the reduced contributory period is not less than 120 months. These drop-out provisions make it possible for the person to receive a higher pension than would otherwise be the case.

A retirement pension is payable at any time between the ages of 65 (age 66 in 1969, age 65 thereafter) and 70, provided the contributor has then retired from regular employment. If he earns $900 a year or

less, he is considered to be retired for purposes of applying for his pension. Those taking up employment after starting to draw a retirement pension will be required to pass an earnings test. For earnings from work of between $900 and $1, 500 in any year, the pension will be reduced by one-half of the excess of actual earnings over $900, with the maximum reduction in this range being $300. When annual earnings exceed $1, 500, the retirement pension will be reduced by $300 plus all earnings in excess of $1, 500. However, no reduction will be made in the pension for any month in which the pensioner's earnings are $75 or less, no matter what his earnings are for the entire year. The pension is payable at the full rate when the person attains age 70 regardless of any current earnings. Retirement and earnings test limits will be adjusted as the Earnings Index changes.

(b) Old Age Security

Under the Old Age Security Act of 1951, as amended, a universal pension of $78 a month is payable by the federal government to all persons who meet the residence and age qualifications. Until 1965, the pension was payable to those age 70 or over, but in 1966 it was payable to persons age 69 and the pensionable age has been reduced one year each year so that by 1970 the pension will be payable to everyone age 65 or over. The pension is adjusted by increases in the Pension Index developed for the Canada Pension Plan. The first adjustment was made in 1968 to increase the monthly pension from $75 to $76. 50. A further adjustment in 1969 increased the pension to $78.

The old age security program covers practically the entire aged population with the exception of the few who do not have 10 years of residence.

The pension is payable to a person of attained age who has resided in Canada for ten years immediately preceding his application for the pension. Any gaps in the ten-year period may be made up if the applicant has resided in Canada in earlier years for periods of time equal in total to double the length of the gaps; in this case, however, the applicant must also have resided in Canada for the year immediately before his application for pension. A 1965 amendment authorized the payment of the pension to persons who have had 40 years of residence in Canada since age 18, thus making eligible for the pension persons who have left Canada before reaching the qualifying age but have spent virtually all of their working lives in Canada. A pensioner may absent himself from Canada and continue to receive pension pavments. If he has lived in Canada for 25 years since his twenty-first birthday, payment

of this pension outside of Canada may continue indefinitely; if he has not, payment is continued for six months, excluding the month of departure, then suspended, and reinstated for the month in which he returns to Canada.

The program is administered by the Department of National Health and Welfare through regional offices in each provincial capital to which application is made for pension. It is financed from the proceeds of a 3 per cent sales tax, a 3 per cent tax on corporation income, and, subject to an annual limit of $240, a 4 per cent tax on taxable personal income. Yields from these taxes are paid into the old age security fund. If they are insufficient to meet the pension payments, temporary loans are made from the consolidated revenue fund. Operations of the old age security fund for the fiscal years ended March 31, 1962 to 1968, and statistics on pensioners and pension payments appear in the following tables.

(c) Guaranteed Income Supplement Program

The Government of Canada established a new program of income maintenance for elderly people which started January 1967. It is designed to provide a guaranteed minimum income to old age security pensioners.

In 1969 pensioners with only the old age security pension will receive a guaranteed annual income of $1,310 for a single pensioner and $2,620 for a married couple who are both pensioners. This includes the $78 a month pension and the maximum monthly supplement of $31.20 which is subject to an income test. Pensioners with income in addition to their old age security pension may receive partial benefits. The maximum monthly supplement, which is 40 per cent of the monthly old age security pension, is reduced by one dollar for each two full dollars of a pensioner's monthly income which does not include the old age security pension or any supplement which may have been received, or any similar payment which may be made under a provincial law.

For purposes of the program, income is determined in the same way as under the Income Tax Act. This concept of income is quite comprehensive but it does exclude some sources. For example, "income" does not include social assistance payments from federal, provincial or municipal governments, war veterans allowances or civilian war allowances, the dependent parents' pension, disability or widows pension based on war service, private disability insurance benefits, financial support or gifts from relatives or charitable organizations, or money withdrawn from savings or received from selling possessions or investments.

OPERATION OF THE OLD AGE SECURITY FUND, YEARS ENDED MARCH 31, 1962 TO 1968

	1961-62	1962-63	1963-64	1964-1965	1965-1966	1966-67	1967-68
	$	$	$	$	$	$	$
Source of funds:							
Sales tax	284,879,239	302,238,927	331,760,067	383,151,254	522,085,844	559,515,045	544,516,013
Corporation income tax	100,125,000	115,250,000	115,750,000	145,250,000	152,250,000	149,500,000	150,000,000
Individual income tax	258,950,000	273,650,000	302,600,000	431,900,000	494,900,000	576,600,000	800,100,000
Loan from consolidated revenue fund	-	41,679,066	58,281,233	-	-	-	-
Balance brought forward	-	1,563,639	-	-	-	216,982,842	429,592,180
Total	643,954,239	734,381,632	808,391,300	960,301,254	1,169,235,844	1,502,597,888	1,924,208,193
Application of funds:							
Benefit payments	625,107,804	734,381,632	808,391,300	885,294,468	927,299,487	1,073,005,708(1)	1,388,118,945(2)
Repayment of loans to consolidated revenue fund	17,282,797	-	-	75,006,786	24,953,515	-	-
Balance carried over	1,563,639	-	-	-	216,982,842	429,592,180	536,089,248
Total	643,954,239	734,381,632	808,391,300	960,301,254	1,169,235,844	1,502,597,888	1,924,208,193

(1) Consists of $1,033,408,230 under the Old Age Security program and $39,597,478 in Guaranteed Income Supplement payments, which began on January 1, 1967.

(2) Consists of $1,153,283,794 under the Old Age Security program and $234,835,151 in Guaranteed Income Supplement payments.

OLD AGE SECURITY STATISTICS, CANADA
YEARS ENDED MARCH 31, 1964 TO 1968, INCLUSIVE

Fiscal Year Ended March 31-	Pensioners in March	Net Pensions paid during fiscal year
	No.	$
1964	971,801	808,391,300
1965	993,582	885,294,468
1966	1,105,776	927,299,487
1967	1,229,561	1,033,408,230
1968	1,366,210	1,153,283,794

Normally, income is taken as the actual income for the year preceding the benefit year i. e., that in which the benefit is received. Exceptions are made, however, for persons who retire from employment or self-employment. A person who retired in the preceding year or who retires part way through the benefit year may elect to substitute current estimates of certain items of income (such as employment earnings and pensions) for the corresponding items in the preceding year.

To ensure equitable treatment between single and married pensioners, the income for each married applicant is taken as one-half of the combined total income of the married couple.

Marital status is determined by actual status as at December 31 of the year preceding the benefit year. If a change in a pensioner's marital status during the course of the year will improve his entitlement to the supplement, he can apply to have this change taken into account.

Payments outside Canada will cover temporary absences from the country. The maximum period for which the supplement will be payable outside Canada is for the month of departure, for six additional consecutive months immediately following departure, and for the month of return. Payments will not be made to anyone who permanently resides outside Canada, largely because of the difficulty in administering the income requirements of the program in other countries.

Payments will only be made to eligible pensioners who apply for the supplementary benefit. A simple application form must be submitted early each January showing actual income for the preceding calendar year. Payments can be made retroactively for up to four months.

The program provides for appeals with respect to eligibility and to the amount of benefit payable.

The supplement is financed from the old age security fund and is administered by the Department of National Health and Welfare. The Department of National Revenue assists by checking income information received on returns made under this program with information received under the Income Tax Act. Tabular material is given below for the month of May in 1967 and in 1968. May has been selected because data in this month are considered most representative of the actual number of GIS beneficiaries because of the provision, under the program, of permitting a four-month retroactive period for pensioners to make claims and receive benefits.

(d) Old Age Assistance

The Old Age Assistance Act of 1951, as amended, provides for federal reimbursement to the provinces for assistance to persons aged 65 or over who are in need and who have resided in Canada for at least ten years or who, if absent from Canada during this period, have been present in Canada prior to the commencement of the ten-year period for double any period of absence during the ten years. A pensioner is transferred to the old age security program on reaching the age of eligibility for it. By 1970 the OAA program will be phased out by the reduction of the eligible age for old age security to 65 years.

The federal contribution may not exceed 50 per cent of $75 a month or of the assistance paid, whichever is less. The province administers the program and, within the limits of the federal act, may fix the amount of assistance payable, the maximum income allowed, and other conditions of eligibility. Effective April 1, 1965, Quebec withdrew from this federal-provincial program under the Established Programs (Interim Arrangements) Act, which entitles the province to a tax abatement and equalization payment. Five provinces too have discontinued receipt of the applications under this program and are now providing aid to persons in this category under their general assistance programs.

GUARANTEED INCOME SUPPLEMENT STATISTICS
BY PROVINCE, FOR THE MONTH OF MAY, 1967 AND 1968

Province and Year	Recipients	Net Supplements Paid
	No.	$
Newfoundland.......... 1967	19,593	578,069
.... 1968	21,203	613,638
Prince Edward Island............... 1967	7,334	202,726
.... 1968	7,806	215,493
Nova Scotia............ 1967	36,374	1,153,465
.... 1968	38,534	1,107,155
New Brunswick........ 1967	27,012	791,108
.... 1968	28,725	794,589
Quebec................ 1967	170,917	5,129,079
.... 1968	191,161	5,523,236
Ontario............... 1967	211,978	6,035,536
.... 1968	230,886	5,966,983
Manitoba.............. 1967	41,715	1,159,389
.... 1968	44,421	1,218,853
Saskatchewan.......... 1967	38,908	1,054,042
.... 1968	40,770	1,098,087
Alberta............... 1967	46,710	1,336,128
.... 1968	50,444	1,435,099
British Columbia....... 1967	76,372	2,210,034
.... 1968	81,285	2,114,481
Yukon and Northwest Territories.......... 1967	745	23,607
.... 1968	783	26,535
Canada................ 1967	677,558	19,673,183
.... 1968	736,018	20,114,149

For an unmarried person, total income allowed, including assistance, may not exceed $1,260 a year. For a married couple it may not exceed $2,220 a year or, when the spouse is blind within the meaning of the Blind Persons Act, $2,580 a year. Assistance is not paid to a person receiving an old age security pension or an allowance, under the Blind Persons Act, the Disabled Persons Act, or the War Veterans Allowance Act.

The following table sets out recent statistics on this program.

OLD AGE ASSISTANCE STATISTICS, CANADA,
YEARS ENDED MARCH 31, 1964 TO 1968, INCLUSIVE

Year	Recipients in March	Average amount of monthly assistance	Federal government contribution during year (a)
	No.	$	$
1964	105,241	65.72	39,208,181
1965	107,354	69.43	44,990,955
1966(b)	52,988	68.85	26,980,510(c)
1967(d)	35,546	68.52	19,750,744(c)
1968(e)	12,083	66.94	8,950,507(c)

(a) Maximum monthly assistance shareable by the federal government was increased from $65 to $75 a month as of December 1963.

(b) Excludes those 69 years and over.

(c) Excludes contributions by the Government of Canada to Quebec under the Established Programs (Interim Arrangements) Act which were estimated at $15,940,000 in 1966, $12,239,724 in 1967 and $9,050,000 in 1968.

(d) Excludes those 68 years and over.

(e) Excludes those 67 years and over.

(e) Social Assistance Payments and Supplements

Elderly persons not eligible for income support under the old age security pension program or the Canada Pension Plan and who are in need may receive assistance under provincial general assistance programs while others who are in

receipt of income support under the OAS and CPP programs may receive supplementary payments over and above these benefits from the provincial general assistance programs. Such assistance is determined by an individual assessment of need, which takes into consideration the recipient's requirements and resources, and is shareable with the federal government under the Canada Assistance Plan.

(f) Private Pension Plans

The retirement system of income support provided under public programs is supplemented by private pension plans available in many places of employment. These plans provide pensions for retirement with some of the better plans providing benefits for disability and to survivors. Generally, private pensions provide little protection for the dependants of deceased contributors. Plans are either non-contributory with the contributions being paid by the employers and benefits being payable to employees, or contributory where both employer and employee contribute to a pension fund.

Plans and membership in 1965(1) were:

	Plans No.	Membership No.
Contributory	11,558	1,823,000
Non-contributory	2,102	523,000
Totals	13,660	2,346,000

Unduplicated membership in 1965 was 2,295,000 or 38.3 per cent of the paid workers in the labour force(2).

Many pension plans may be adjusted to take into account benefit payments made under public income maintenance measures such as the old age security pension program and the Canada and Quebec Pension Plans. Adjustment of private pensions to public income support programs is not compulsory by legislation, rather persons responsible for these plans are free to make the adjustment if they so wish. Adjustment with the old age security pension is intended to average retirement incomes for persons retiring prior to the age at which they qualify for OAS pension. By this means, higher payments

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(1) DBS - Survey of Pension Plan Coverage 1965.

(2) "Paid worker in the Labour Force" also includes the Armed Services.

can be made under the private pension which will be reduced when the OAS pension becomes payable. Adjustment of private plans with the Canada and Quebec Pension Plans is intended to reduce private pension contribution costs for employees and employers where the combination of public and private pension schemes will produce an adequate retirement income.

An indication of the types of retirement pensions provided under the private pension plans is given in the following table, which reports on types of retirements in 1965.

RETIREMENTS OF PENSION PLAN MEMBERS, BY TYPE OF RETIREMENT AND SEX, 1965

Type of Retirement	Members Retiring in 1965		
	Male	Female	Total
	No.	No.	No.
Normal	11,762	3,546	15,308
Early (other than disability)	3,118	886	4,004
Disability	1,556	343	1,899
Deferred or postponed	1,619	655	2,274
Other	138	159	297
Totals	18,193	5,589	23,782

Source: DBS - Survey of Pension Plan Coverage 1965.

The following table shows the levels of income support provided for one year under private pension plans in 1965 to members who had normal retirement in that year. With increasing wages and salaries, benefits provided under private pension plans will also increase. Some of these increases may be offset to a degree by the effect of adjustments made by private plans to the Canada and Quebec Pension Plans.

NORMAL RETIREMENTS OF PENSION PLAN MEMBERS, BY ANNUAL PENSION AND SEX, 1965

Annual Pension	Male	Female	Total
$	No.	No.	No.
Less than 600	1,264	576	1,840
600 - 999	1,268	585	1,853
1,000 - 1,499	1,669	619	2,288
1,500 - 1,999	1,743	504	2,247
2,000 - 2,499	1,481	360	1,841
2,500 - 2,999	1,082	269	1,351
3,000 - 3,499	1,058	215	1,273
3,500 - 3,999	609	124	733
4,000 - 4,499	407	143	550
4,500 - 4,999	296	45	341
5,000 - 5,499	223	32	255
5,500 - 5,999	161	29	190
6,000 and over	483	38	521
Not Stated	18	7	25
Totals	11,762	3,546	15,308

Source: DBS - Survey of Pension Plan Coverage 1965

Private pension plan regulation is a matter of provincial jurisdiction, with the exception of areas of employment coming under federal jurisdiction, but until quite recently little or no regulatory legislation existed.

The enactment of the Canada and Quebec Pension Plan legislation emphasized the need for uniform private pension legislation across Canada. Ontario amended the Ontario Pension Benefits Act with effect from July 30, 1965, and Quebec enacted the Supplemental Pension Plans Act with effect from July 15, 1965. The Pension Benefits Act of Alberta came into force on January 1, 1967, and that of Saskatchewan was assented to on April 1, 1967. The provincial legislation governs all pension plans operating on and after the effective date in the particular province. Similar legislation at the federal level, the Pension Benefits Standards Act, was assented to on March 23, 1967, and is applicable only to those pension plans which have members employed in works, undertakings, and businesses (for example, banks and interprovincial transportation and communication) that are under federal jurisdiction.

Under the above acts, basic standards have been established. Pension funds or plans organized and administered to provide a pension benefit to employees must accept these standards to receive registration. Only registered plans are allowed.

By agreement, each of the provinces mentioned above may recognize similar legislation of the others, so that a pension plan which has been registered and reports in one province may not have to seek registration or duplicate all its reporting procedures in another of these provinces if it extends its operations to employees in that other province. The legislation requires that an employee's benefit under a pension plan becomes fully vested (i.e., that he has full entitlement to those benefits which will be paid him on retirement) when he reaches 45 years of age and has completed either a minimum of ten years' membership in a pension plan or ten years' service with the one employer. Moreover, should the employee leave his job or resign his membership in the plan prior to retirement, at least 75 per cent of his total benefits under the plan must be locked-in for purposes of his pension, allowing him to withdraw no more than 25 per cent of the commuted value of those benefits in a lump sum.

Other provisions of this legislation are intended to ensure the full solvency of these pension plans within a specified period of time, to restrict the types of investments which may be made by the pension fund, to provide that an employee's pension rights are safeguarded if he should change his job, and to establish that each interested party to a pension plan is adequately informed as to the provisions of the plan.

(g) General Services for the Aged

In addition to income maintenance payments to the aged, and the health and hospital care ser`ices provided to this group and discussed later, welfare and other services are being made increasingly available to older persons. These include visiting homemaker and nursing services, recreation facilities and other measures to help elderly persons live independently in their own homes.

Progress is being made in all regions in the provision of low-rental self-contained accommodation for elderly persons able to manage on their own. Similarly, accommodation for those requiring care in congregate living arrangements (homes for the aged, hostels, lodges) is being increased. Standards of institutional care continue to improve and a growing number of homes now offer specialized care to meet the varied needs of elderly people.

With the exception of certain federal institutions for older handicapped veterans and a few provincial ones serving various purposes, depending upon where they are located, institutions for the aged and infirm are administered by voluntary groups and local government authorities. The past few years have witnessed the growth of provincial assistance to homes for the aged in the form of capital grants, maintenance grants, or both, and the development of provincial standards and supervision.

Provincial legislation in several provinces provides for the supervised care of elderly people in small proprietary boarding homes. In Newfoundland and British Columbia, older persons in receipt of public assistance may be placed in provincially licensed boarding homes which must meet established standards of care. Boarding homes for the aged in Manitoba and New Brunswick are licensed under public health regulations. Under the Homes for the Aged and Rest Homes Act in Ontario, elderly persons eligible for admission to a municipal home for the aged may, in lieu of institutional care, be placed in an approved private boarding home which is regularly inspected.

In the development of local community services for the aged, there has been an increase in the provision of opportunities for recreation and social activities. Clubs or centres for elderly persons exist today in the majority of the larger cities and in many smaller ones, although the proportion of older persons reached is still very modest. The Province of Ontario through The Elderly Persons Centres Act, 1966, provides for a provincial grant of up to 30 per cent of the cost of building or altering premises for use as a recreation centre if the local municipality will bear 20 per cent of the cost. The Act further allows for the payment of maintenance grants and special grants for services, facilities and research.

Clubs and centres may be sponsored by municipal recreation authorities, community associations, women's organizations, local welfare councils, service clubs, churches, and trade unions. Of interest also are clubs for retired employees, and old age pensioners' associations. The Ontario Department of Education assists and encourages the development of recreation programs for elderly persons through consultative and informational services.

Welfare councils and family agencies in a number of cities are active in the development of services for the aged. In Winnipeg the Age and Opportunity Bureau provides information, referral, counselling, a housing registry and employment services. In Ottawa there is an Information and Service Bureau within the city health

department. The Social Planning Council of Metropolitan Toronto is exploring the needs of older people and conducting special studies in relation to these; it further provides a community information service to which there is attached a specialist on aging.

SURVIVORS

Benefits to surviving dependants of contributors have been provided under the Canada and Quebec Pension Plans from early 1968. Mothers in need can receive assistance under existing programs in all provinces. Some provinces provide assistance also to older widows. Workmen's compensation and the war veterans and civilian war pensions and allowances programs also provide benefits to survivors.

(a) Canada Pension Plan and Quebec Pension Plan

Survivor's benefits for dependants of contributors to the Canada and Quebec Pension Plans include the widow's pension, disabled widower's pension, orphan's benefit and death benefit. The orphan's benefit is discussed in the section on Children.

(i) Widow's Pension: A widow's pension is payable to qualified widows in all cases at age 65; but under 65 a number of factors can affect payment. A widow age 45 to 64 at her husband's death, a disabled widow under age 45, or a widow under age 45 with dependent children, is entitled to a widow's pension if her husband has made the required number of contributions. This pension is comprised of a flat-rate component, \$26.01 in 1969, and an earnings-related component equal to 37.5 per cent of the retirement pension payable to her deceased husband. If he is under age 65 at the time of his death, his pension is calculated as if he had actually attained age 65 at that time. A widow who is not disabled and who does not have dependent children may receive a reduced pension if she is under age 45 at the death of her husband. If such a widow is between 35 and 45, her pension is reduced by 1/120 for each month she is under age 45 at his death. If she is under age 35, her widow's pension is zero and she receives no pension until she reaches 65 years of age unless she becomes disabled in the interim. The definition of disability used for the disabled contributor's pension is also used to determine disability for a widow or widower. A widow can receive both a widow's pension and a disability pension, but the total cannot exceed the maximum retirement pension payable under the program.

A woman widowed at age 65 or over, or a widow reaching age 65, will receive a pension calculated on a different basis than for those under 65. At age 65 or more it will normally be calculated as

60 per cent of her husband's retirement pension. A widow age 65 or over who is also entitled to a retirement pension of her own may receive by way of her retirement pension and her widow's pension an amount equal to the greater of, (a) 60 percent of the total of her own and her husband's pension, or, (b) 100 per cent of her own plus 37.5 per cent of her husband's pension. Here also there is a limit on the total amount payable under the two pensions.

(ii) Disabled Widower's Pension: A pension is provided for the disabled widower of a contributor if he was disabled at the time of his wife's death and was, at that time, wholly or substantially maintained by her. The rate of pension is the same as that for disabled widows. A disabled widower entitled to his own retirement pension is also provided with the same two alternative formulae as the widow for purposes of calculating his total income from the two benefits. The disabled widower must continue to prove disability for the duration of his pension. Before age 65 he can receive both a disabled widower's pension and a disability pension, subject to a limit on the combined total.

(iii) Death Benefit: A lump sum death benefit is payable subject to the same qualifying conditions as for survivors' pensions. The amount of the benefit is six times the monthly retirement benefit that is being (or would be) paid to the contributor in the month of his death, but cannot exceed 10 per cent of the maximum pensionable earnings for that year. If the contributor is under 65 years of age when he dies, the retirement pension will be calculated as if he were 65 at the date of his death.

(b) Widows' Allowances

All provinces provide assistance to widows (without dependent children) as to other needy persons under their social assistance programs. (See section on Persons in Need).

(c) Other Survivors' Benefits

As mentioned above survivors' benefits are provided under workmen's compensation and veterans programs. (See also sections on Injured Workmen and Veterans).

Under workmen's compensation if a workman dies as a result of an industrial injury, his widow is granted a monthly pension, a special lump sum payment, an allowance for funeral expenses, and a monthly payment for each child under the age limit provided by the law.

Benefits are payable to survivors of veterans who die as a result of war injury, or as a result of injury incurred in peacetime military service; and to survivors of certain civilians with war service who die as a result of injury received in this service. Benefits are also payable on the basis of need to survivors of veterans or of certain civilians with war service where no war injury was incurred, but where the veteran or civilian had previously qualified for social assistance under a veterans program. Survivors under veterans programs include widows, children, and dependent parents.

CHILDREN

There are a variety of programs designed to provide income support and welfare services to children. Income support is given under family allowances, family assistance and youth allowances programs for all eligible children regardless of the economic status of the recipients. The provinces of Quebec and Newfoundland also have programs providing income support to families with children. Payments without a means or needs test for surviving dependent children are made under the workmen's compensation, war veterans and civilian war pension programs, and have been available since early 1968 under the Canada and Quebec Pension Plans. Benefits will be available from mid-1970 under the Canada and Quebec Pension Plan for children of disabled contributors. Payments for dependent children subject to a means test, are made under the war veterans and civilian war allowances program. Children in needy families are assisted under provincial social assistance programs (see section on Persons in Need). Welfare services are provided to children by a number of public and private programs.

(a) Family Allowances

The Family Allowances Act, 1944 as amended, provides payments with respect to all qualified children in Canada up to age 16. The allowances are not subject to a means test and are paid from the federal consolidated revenue fund. They do not constitute taxable income but there is a smaller income tax exemption for children under the age of 16.

Allowances are payable in respect of every resident child under the age of 16 years who was born in Canada, or who has been a resident of the country for one year, or whose father or mother was domiciled in Canada for three years immediately prior to the birth of

the child. Payment is made by cheque each month, normally to the mother, although any person who substantially maintains the child may be paid the allowance. Allowances are paid at the monthly rate of $6 for each child under 10 years of age and $8 for each child age 10 or over but under 16 years. If the allowances are not spent for the purposes outlined in the Act, payment may be discontinued or made to some other person or agency on behalf of the child. Allowances are not payable for any child who fails to comply with provincial school regulations or on behalf of a girl who is married and under 16 years of age.

The program is administered by the Department of National Health and Welfare through regional offices located in each provincial capital. The Regional Director located at Edmonton, Alberta, is also responsible for administering the accounts of residents in the Yukon and Northwest Territories.

The table below sets out recent statistics on the family allowances program:

FAMILY ALLOWANCES STATISTICS, CANADA, FISCAL YEARS ENDED MARCH 31, 1964 TO 1968, INCLUSIVE

Year	Families receiving allowance in March	Children for whom allowance paid in March	Average number of children per family in March	Average monthly allowance (1)		Net total allowances paid during fiscal year
				per family	per child	
	No.	No.	No.	$	$	$
1964	2,711,272	6,736,157	2.48	16.67	6.71	538,312,224
1965	2,746,549	6,817,013	2.48	16.68	6.72	545,775,231
1966	2,785,636	6,865,057	2.46	16.59	6.73	551,734,824
1967	2,833,941	6,882,874	2.43	16.42	6.76	555,794,947
1968	2,888,101	6,901,486	2.39	16.19	6.77	558,774,458

(1) Based on gross payment for March.

(b) Family Assistance

The federal government pays family assistance, at the rates applicable for family allowances, for each child under 16 years of age resident in Canada and supported by an immigrant who has landed for

permanent residence in Canada, or by a Canadian returned to Canada to reside permanently. The assistance, which is payable monthly for the first year of the child's residence in Canada, is intended to bridge the gap until the child becomes eligible for family allowances. These payments are not taxable income but as mentioned in the preceding section there is a smaller income tax exemption for children under the age of 16.

(c) Youth Allowances

Legislation providing for a program of youth allowances was assented to on July 16, 1964 and became effective September 1964. The federal government does not provide youth allowances in Quebec, which already had its own program. That province is compensated by a tax abatement adjusted to equal the amount that the federal government would otherwise have paid in allowances to Quebec residents. The federal youth allowances and the Quebec schooling allowances programs cover all eligible youths in Canada.

Under the federal program, monthly allowances of $10 are payable in respect of all dependent youths age 16 and 17 who are receiving full time educational training or are precluded from doing so by reason of physical or mental infirmity. Both the parent or guardian and the youth must normally be physically present and living in a province other than Quebec. The allowance is not payable to a parent who resides in Quebec or outside Canada regardless of where his child may be attending school. However, a dependent youth may attend school in Quebec or outside Canada or, if disabled, receive care or training in Quebec or outside Canada and still be considered eligible, on the basis that he is a resident of a province other than Quebec but is temporarily absent. Eligible youths in the province of Quebec will be entitled to benefits under the Quebec schooling allowances program.

Allowances normally commence with the month following that in which family allowances cease and continue until the school year terminates. They are paid retroactively for the summer months on the youth's return to school at the commencement of the new school year. Allowances for a disabled child not attending school, however, are payable continuously throughout the year. Should the youth leave school, leave the country permanently, cease to be maintained, take up residence in Quebec or die, the allowance will cease. Otherwise, the youth allowance continues until the end of the month in which the youth reaches age 18. Youth allowances are not considered to be income for any purpose of the Income Tax Act. A higher personal exemption under the Income Tax Act is provided for dependent children age 16

and over than for children under 16. Receipt of youth or schooling allowances does not change this entitlement under the Income Tax Act.

The program is administered by the Department of National Health and Welfare. The national director of the family allowances and old age security programs also administers youth allowances, assisted by regional directors located in each of the provincial capitals other than Quebec City. The costs of youth allowances are met from the consolidated revenue fund.

The table below gives summary statistics on the youth allowances program:

YOUTH ALLOWANCES STATISTICS, CANADA, EXCLUDING QUEBEC, YEARS ENDED MARCH 31, 1965 to 1968, INCLUSIVE

Year	Youths for whom allowances paid in March		Total youths	Net total allowances paid during fiscal year (a)
	Attending school full-time	Having physical or mental infirmity		
	No.	No.	No.	$
1965(b)	396,281	1,756	398,037	26,869,815
1966	402,802	1,992	404,794	46,468,550
1967	409,591	2,530	412,121	47,395,633
1968	432,051	2,514	434,565	49,426,980

(a) Excludes fiscal contributions made by the Government of Canada to Quebec under the Federal-Provincial Fiscal Revision Act which amounted to $9,540,600 in 1965, $17,506,279 in 1966, $23,637,127 in 1967, and $14,393,507 in 1968.

(b) Covers seven months; program became effective September 1, 1964.

(d) Quebec's Family Allowances Program

The province of Quebec introduced its own family allowances program under legislation enacted in 1967. Under this plan the following allowances are paid at the end of each six-month period to persons satisfying the relationship and residence requirements in respect of children under 16 years of age: $15 for one child, $32.50 for two children, $52.50 for three children, $77.50 for four, $107.50 for five, $142.50 for six, and an extra $35 for each child after the sixth. These allowances are increased by $5 for each child between the ages of 12 and 16 years. To qualify for the allowances, children must be attending school regularly from the time when they are first required to do so, unless prevented by physical or mental infirmity. These allowances supplement those paid under the federal scheme.

(e) Newfoundland's Schooling Allowances Program

The province of Newfoundland introduced its parents supplement (schooling allowances) program in 1966. Under this scheme, an annual benefit of $15 is paid in semi-annual instalments for each eligible child who is registered at and attending a school other than a trade school or university. There is no age limit specified in the legislation but the allowance terminates when the child leaves school.

(f) Orphan's Benefit (Canada Pension Plan)

If a qualified male contributor dies, a monthly orphan's benefit is payable on behalf of his eligible dependent child whether or not the mother is alive. An orphan's benefit is payable on the death of a female contributor if she was maintaining the child at the time of her death. To be eligible for the benefit the child must be a dependent child as defined by the Canada Pension Plan Act.

The amount of the benefit in 1969 is $26.01 monthly for each of the first four dependent children of a contributor, and $13.00 a month for each additional child. However, where there are more than four children in a family, the total of the orphan's benefits is divided equally among them. If both parents were contributors, and both die, only one orphan's benefit is payable to each of their children. The benefit ends when the child gets married, reaches age 18, or if he is between 18 and 25, at the time when he ceases to attend school or university full-time.

(g) Children of Disabled Contributors (Canada Pension Plan)

The rate of benefit payable to the child of a disabled contributor is identical to the orphan's benefit. The benefit is payable to each eligible child of a contributor receiving a disability pension. The two types of benefit are payable under essentially the same conditions. However, the benefit for the child of a disabled contributor is payable, in addition to the other conditions, only while the contributor is disabled.

(h) Children under other programs

All provinces of Canada make payments of benefits to surviving children with respect to a deceased injured worker under workmen's compensation. The benefits are payable unconditionally.

Also, programs for war veterans and civilians with war service provide benefits to surviving children either unconditionally or on means-tested basis depending on the nature of the veterans program.

(i) Child Welfare Services

The term "child welfare" refers particularly to the services for the protection and care of neglected children, to services for unmarried parents and to adoption services. The administration of these services is the responsibility of the provinces and is governed by legislation passed and enforced by each province. The costs of maintenance of children and of extensions and improvements in child welfare services are shared with the federal government under the Canada Assistance Plan described above.

In some provinces all services are administered by the provincial child welfare authority; in some, responsibility for direct services is delegated under supervision to voluntary agencies, usually children's aid societies. In several provinces, the responsibility for services in large urban areas is delegated to children's aid societies, and in the remainder of the province is carried by the provincial authority.

Protection services are extended to children who are neglected by their parents, who are exposed to moral or physical danger, who have been abandoned or are otherwise in need of public protection. Increasingly, emphasis is being placed upon the prevention

of neglect through casework services to the parents while a child remains in his own home. However, when family life has broken down to the extent that it is necessary to remove a child from the home, substitute care in a foster home or children's institution is arranged. Children who are removed from their own homes must be brought before a Court within a few days and a decision made as to their future care and custody. If found neglected within the meaning of the child protection legislation, guardianship rights of the parents are terminated and the agency or the province assumes full responsibility for the care of the child which usually terminates when he reaches 17, 18 or 21 years of age.

Services for unmarried parents, which include casework services to the unmarried mother and to the father and legal assistance to the mother in obtaining support for the child, are available in all provinces. Institutional care for the mother during the prenatal and immediate postnatal period is available under the auspices of voluntary agencies.

Provincial departments and children's aid societies are concerned with finding permanent homes for children in their care who are legally free for adoption. Special efforts are made to place handicapped children and several provincial departments have established adoption clearance services. After the adoption probation period has elapsed (usually after 6 months to 1 year) the Court issues a final adoption order which transfers guardianship rights to the adopting parents.

Institutional care for children is regarded as one method of care available as part of a comprehensive child welfare program. The majority of children's institutions operate under voluntary auspices and work in close collaboration with official child welfare agencies. Small specialized institutions for emotionally disturbed children are being developed as are other specialized institutions to serve children who have difficulty adjusting to a foster home.

Public day care services for the children of working mothers have been developed only in Ontario. In other provinces voluntary day nurseries have been established in a few large cities. Commercial day nurseries have also been established in large cities; these are subject to provincial or municipal licensing.

DISABLED PERSONS

Disabled persons in Canada are provided with income support and services through programs operated by the federal and provincial governments and private organizations. Under the Canada and Quebec Pension Plans pensions will be available from 1970 on to disabled contributors who qualify. Workers disabled by industrial accident or disease who are covered by workmen's compensation are provided thereunder with cash payments, medical and hospital care and rehabilitation services. Disabled persons in need can receive income support under the disabled persons and blind persons allowances programs or under provincial social assistance programs. Rehabilitation services including vocational rehabilitation are provided through government programs and programs of voluntary agencies.

These and other measures are described below.

(a) Canada Pension Plan and Quebec Pension Plan

Pensions for disabled contributors and benefits for their dependent children will first be payable in the spring of 1970 under the Canada and Quebec Pension Plans.

A contributor who becomes disabled after making the required contributions(1) will be entitled to a disability pension consisting of a flat-rate component, at least $26.01 monthly, and an earnings-related component equal to 75 per cent of a retirement pension calculated as if he had reached 65 in the month the disability pension became payable. A contributor is considered to be disabled if he has a physical or mental disability so severe and likely to continue so long that he cannot get steady work. The benefit payable to a dependent child of a disabled contributor is explained in the section on Children.

Canada Pension Plan survivors' pensions, discussed in the section on Survivors, are payable to dependent disabled widowers and to disabled widows regardless of their ages. The disabled widower must continue to prove disability for the duration of his pension, whereas the disabled widow need only prove disability to age 45.

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(1) See page 14 for qualifications.

(b) Disabled Persons Allowances

The Disabled Persons Act of 1954, as amended, provides for federal reimbursement to the provinces for allowances paid to permanently and totally disabled persons age 18 or over who are in need and who meet the required definition of "permanent and total disability", the ten years' residence requirement and specified income limits. For an unmarried person, total income including the allowance may not exceed $1, 260 a year. For a married couple the limit is $2, 220 a year except that if the spouse is blind within the meaning of the Blind Persons Act, income of the couple may not exceed $2, 580 a year.

The federal contribution may not exceed 50 per cent of $75 a month or of the allowance paid, whichever is less. The province administers the program and, within the limits of the federal Act, may fix the amount of allowance payable, the maximum income allowed and other conditions of eligibility. Effective April 1, 1965, Quebec withdrew from this federal-provincial program under the Established Programs (Interim Arrangements) Act which entitles the province to a tax abatement and an equalization payment.

Under the terms of the Canada Assistance Plan, a province may elect to aid needy disabled persons under a general assistance program with costs shared under the Canada Assistance Plan. In accordance with this provision five provinces (Newfoundland, Prince Edward Island, Ontario, Saskatchewan and Alberta) no longer accept applications under the Disabled Persons Allowances Act. They may also transfer current recipients of disabled persons allowances to their general programs, provided that there is no decrease in benefits. The provinces are gradually taking steps to alter their programs in this way.

Data on coverage and federal government payments for the disabled persons allowances program are set out in the following table.

(c) Blind Persons Allowances

The Blind Persons Act of 1951, as amended, provides for federal reimbursement to the provinces for allowances to blind persons age 18 or over who meet the ten years' residence and income requirements. For an unmarried person, total income including the allowance may not exceed $1, 500 a year; for a person with no spouse but with one or more dependent children, $1, 980; for a married couple, $2, 580. When the spouse is also blind, income of the couple may not exceed $2, 700.

DISABLED PERSONS' ALLOWANCES STATISTICS, CANADA, FISCAL YEARS ENDED MARCH 31, 1964 TO 1968, INCLUSIVE

Year	Recipients in March	Average amount of monthly allowance	Federal government contribution during year
	No.	$	$
1964	51,671	69.48	20,206,543(a)
1965	53,103	73.86	23,365,493
1966	34,588	73.51	14,979,429(b)
1967	34,590	73.24	15,026,379(b)
1968	15,789	72.26	7,063,958(b)

(a) Maximum allowance shareable by the federal government was increased from $65 to $75 a month as of December 1963.

(b) These payments exclude fiscal contributions by the Government of Canada to Quebec under the Established Programs (Interim Arrangements) Act which were estimated at $8,836,000 in 1966, $8,611,342 in 1967, and $8,450,000 in 1968.

The federal contribution may not exceed 75 per cent of $75 a month or of the allowance paid, whichever is less. The province administers the program and, within the limits of the federal Act, may fix the amount of allowance payable and the maximum income allowed. Effective April 1, 1965, Quebec withdrew from this federal-provincial program under the Established Programs (Interim Arrangements) Act which entitles the province to a tax abatement and an equalization payment.

Under the terms of the Canada Assistance Plan a province may elect to aid needy blind persons under a general assistance program with costs shared under the Canada Assistance Plan. In accordance with this provision three provinces, Ontario, Saskatchewan and Alberta, no longer accept applications under the Blind Persons Allowance Act. They may also transfer current recipients of blind persons allowances

to their general programs, provided that there is no decrease in benefits. The provinces are gradually taking steps to alter their programs in this way.

Summary statistics on the blind persons allowances program are set out in the following table.

BLIND PERSONS ALLOWANCES STATISTICS, CANADA
FISCAL YEARS ENDED MARCH 31, 1964 TO 1968, INCLUSIVE

Year	Recipients in March	Average amount of monthly allowance	Federal government contribution during year
	No.	$	$
1964	8,581	68.12	4,987,897(a)
1965	8,586	72.10	5,624,702
1966	5,437	71.05	3,632,212(b)
1967	5,022	70.94	3,377,418(b)
1968	3,384	70.62	2,314,248(b)

(a) Maximum allowance shareable by the federal government was increased from $65 to $75 a month as of December 1963.

(b) These payments exclude fiscal contributions made by the Government of Canada to Quebec under the Established Programs (Interim Arrangements) Act which were estimated at $1,842,000 in 1966, $1,749,038 in 1967, and $1,650,000 in 1968.

(d) Provincial Social Assistance

As set out above in the pensions on disabled persons and blind persons allowances, a disabled person in Newfoundland, Prince Edward Island, Ontario, Saskatchewan and Alberta and a blind person in Ontario, Saskatchewan and Alberta are eligible for income support either under the Blind Persons Act or the Disabled Persons Act. In other provinces, disabled persons are eligible for income support and welfare services on the basis of need under provincial general assistance programs in these provinces. The costs under these latter programs are shareable with the federal government under the Canada Assistance Plan.

(e) Training and Allowances

Training of disabled persons (other than disabled persons under workmen's compensation and disabled veterans) for gainful employment may be provided under the Adult Occupational Training Act for those persons who qualify and who will be entitled to the training allowances provided under that Act (for further information see "Occupational Training of Adults" in section dealing with the Unemployed).

Disabled persons who cannot qualify under the Adult Occupational Training Act may be provided with vocational rehabilitation services under provincial programs set up through federal-provincial agreements made under the Vocational Rehabilitation of Disabled Persons Act and will qualify for maintenance allowances provided through these programs.

(f) Services for the Disabled and the Chronically Ill

The success of rehabilitation programs for injured workers, war veterans, handicapped children, and other disability groups has encouraged more recent efforts to extend rehabilitation services to all handicapped persons. Physical medicine and rehabilitation departments have been established in the teaching hospitals and most veterans' and children's hospitals. There are about 40 children's hospitals and rehabilitation centres in the main cities; many children are also treated at general hospitals, or at rehabilitation centres that serve both adults and children. Five rehabilitation centres are operated under workmen's compensation programs.

Hospital services available to in-patients and out-patients include physical medicine, physiotherapy, occupational therapy, and social services; most of the children's hospitals and the teaching hospitals also supply speech therapy. The rehabilitation centres provide comprehensive medical, psychosocial, and vocational services to more-severely disabled persons. Provincial and community agencies, such as those providing rehabilitation and home care services, co-operate in the rehabilitation of disabled children and adults.

Most large general hospitals conduct out-patient clinics for various diseases and disabilities, for example, arthritis and rheumatism, diabetes, glaucoma, speech and hearing defects, heart diseases, and orthopaedic and neurological conditions. Voluntary agencies concerned with specific disability groups such as arthritics, the blind, the deaf, children suffering from cystic fibrosis, haemophilia, or muscular dystrophy, the mentally ill or retarded, or disabled persons generally, are also broadening their rehabilitation services; these include counselling, personal aids and appliances, transportation, employment and

education, and sheltered workshops as well as participation in the provision of services for those confined to the home. Home care programs, under either hospital or community sponsorship, have been established in five provinces and are recognized as an essential community health service. They provide nursing, homemaker, physiotherapy and other services to the disabled, the chronically ill, the aged, and the convalescent, in their own homes. The Victorian Order of Nurses and other voluntary agencies supply home nursing services as do the local health services in several provinces.

Provincial health, welfare, and education departments and voluntary agencies are developing specialized services for physically and mentally handicapped children. Most provinces have established registries of handicapped children, of varying coverage, and these are being found increasingly useful in the planning and co-ordination of rehabilitation services. In addition to medical rehabilitation, health departments and the crippled children's societies provide family counselling, recreation, transportation, and foster home care; travelling clinics extend periodic diagnostic and treatment services to outlying areas. Special schools or classes for various groups of handicapped children are operated by local school boards in the main cities, but most of the 15 residential schools for the deaf and the six for the blind are operated under provincial auspices.

Regional prosthetic research and training units established in rehabilitation centres in Montreal, Toronto, and Winnipeg, and the Bio-Engineering Institute of the University of New Brunswick, supported by national health grants, are significant developments. The transfer of prosthetic services for veterans from the Department of Veterans Affairs to the Department of National Health and Welfare on January 1, 1966, has made it possible for the provinces to extend these services to non-veterans. Artificial limbs and prosthetic appliances are made available in 12 prosthetic centres across Canada in accordance with provisions determined by provincial health departments. A federal-provincial program assists in meeting the extraordinary rehabilitation, maintenance, and counselling costs on behalf of children with thalidomide-induced defects.

Ten university schools offer training in physical therapy and/or occupational therapy and three provide training in audiology and speech therapy.

The Department of National Health and Welfare assists the provinces in their rehabilitation programs through the general health grants. These include grants which are used to develop medical rehabilitation personnel and student bursaries, for equipment, and for research.

UNEMPLOYED PERSONS

The main income maintenance programs for unemployed persons in Canada is the unemployment insurance program with income maintenance being provided also by minor programs such as the supplementary unemployment benefit and transitional unemployment assistance programs. Unemployed persons in need who have exhausted their credits under the unemployment insurance program and needy persons who are non-employable may be assisted under provincial social assistance programs, the cost of which are shareable under the Canada Assistance Plan. Two important programs have been developed to improve the availability and quality of manpower. These are the manpower mobility program and the program which provides occupational training for adults.

(a) Unemployment Insurance

The depression of the 1930's emphasized the urgent need for a nation-wide unemployment insurance program. In 1935 the Employment and Social Insurance Act was passed by the federal Parliament but was subsequently declared ultra vires by the Supreme Court and by the Privy Council. Later, with the consent of the provinces, an amendment to the British North America Act was obtained empowering the federal Parliament to legislate on unemployment insurance. In 1940, the Unemployment Insurance Act was passed. It made provision for a compulsory, contributory, unemployment insurance program at the national level and also for a national employment service to operate in conjunction with and ancillary to unemployment insurance. The Act came into effect on July 1, 1941. Amended on several occasions since 1941, it was completely revised in 1955. The most recent amendment became effective June 30, 1968 under which changes were made to the ceiling of insurability, the rates of contribution, and the weekly rates of benefit.

Some four-fifths of all employees are compulsorily covered under the program which is administered by the federal government. Unemployment benefits are earnings-related. The benefit ranges from $13. 00 to $42. 00 weekly for a person without dependants, and $17. 00 to $53. 00 for a person with one or more dependants.

The Unemployment Insurance Act applies to all persons, including agricultural and horticultural workers, employed under a contract of service, except those in specified industries or occupations such as: the Canadian Armed Forces; most federal government employees; provincial government employees except where insured with the province's concurrence; certified permanent employees of municipal or public authorities; private domestic service; private-duty nursing; teaching;

certain director-officers of corporations; workers on other than an hourly, daily or piece rate earning more than $7, 800 a year effective July 1, 1968, unless they elect to continue as insured persons; employees in a charitable institution or in a non-profit hospital except where the institution or hospital consents to insure certain groups of persons with the concurrence of the Commission. All persons paid by the day, hour, or at a piece rate (including a mileage rate) are insured regardless of the amount of their earnings.

The amount of the employee contribution is determined by the employee's actual weekly earnings irrespective of the number of days worked. An equal contribution is required from the employer. The federal government contributes one fifth of the aggregate employer-employee contribution and defrays administrative expenses. Contributions became payable on July 1, 1941. Benefits became payable on January 27, 1942, and by September 30, 1968 a total of $5, 995, 000, 000 had been paid.

The benefit rates are calculated on the average weekly contributions for the last 30 weeks in the 104 consecutive weeks preceding claim. In order to qualify for regular benefit, a claimant must have at least 30 weekly contributions in the last 104 weeks prior to claim, eight weekly contributions since the start of the last preceding regular benefit period or in the last year prior to claim, whichever is the shorter period, and 24 weekly contributions since the start of the last preceding benefit period, or in the last year prior to the claim, whichever is the longer period.

The regular contribution requirements are relaxed somewhat during a 5 1/2-month period commencing with the first week of December each year. Under this provision, claimants unable to fulfil the contribution requirements for regular benefit may draw a "seasonal benefit" if they have at least 15 contribution weeks during the fiscal year or, failing this, if they terminated regular benefit since the previous mid-May.

(b) The Provision of Employment Services through Canada Manpower Centres

A national employment service was established in Canada under the Unemployment Insurance Act and has been in operation since 1941. In April 1965, responsibility for its operation was transferred from the Unemployment Insurance Commission to the Department of Labour. In December of the same year the employment service was moved to the new Department of Manpower and Immigration in order to bring all manpower programs and services under the authority of one department.

Canadian manpower programs and services are now administered by a network of Canada Manpower Centres strategically located across the country. There are over 300 full-time Canada Manpower Centres, with part-time and itinerant services being provided in smaller and remote parts of the country. The Canada Manpower Centres provide: counselling and testing services for workers and employers; placement services for workers; recruitment services for employers; clearance services to assist in alleviating local labour market shortages and surpluses; services to identify, select, and authorize clients for training and allowances under the Adult Occupational Training Act; services to identify, select, and authorize clients for exploratory relocation and trainee grants under the manpower mobility regulations; development of special applications of manpower programs to resolve difficult manpower adjustment problems; dissemination of comprehensive labour market information; and specialized reception, counselling, settlement, and emergency assistance services to immigrants.

In 1967, Canada Manpower Centres made 1, 071, 700 placements. In the fiscal year 1967-68, a total of 294, 000 workers were referred to training courses, and 28, 547 workers were provided with manpower mobility grants.

(c) Transitional Assistance Benefit Program

This program was set up by the federal government in 1965 to alleviate possible economic and technological effects on Canadian employment of the Canada-United States agreement on automotive products. The federal government has provided a fund which is administered by the Unemployment Insurance Commission. The plan will pay to qualified persons a benefit which may be as high as 75 per cent of the persons average take-home pay or 65 per cent of the average weekly wages and salaries in the industry. The benefit is payable for a maximum of 53 weeks.

(d) Supplementary Unemployment Benefit

This program is set up by collective bargaining and financed solely by employers. The first supplementary unemployment benefit program was negotiated between the United Automobile Aerospace and Agricultural Implement Workers of America International Union (UAW) and the General Motors Corporation of Canada and came into effect on February 13, 1956. Since then several other collective agreements in a number of industries have introduced supplementary unemployment

benefit programs. This program will pay to an unemployed worker a benefit which along with the unemployment insurance benefit will guarantee the beneficiary up to 65 per cent of his take-home pay.

(e) Manpower Mobility Program

The purpose of this program is to help overcome those bottlenecks in the labour market which are due to the immobility of the labour force. The program provides financial assistance to workers who are, or who have received notice that they are about to become unemployed and for whom there is little or no prospect of suitable employment locally. Assistance is also provided to underemployed workers, i.e. those employed less than 30 hours a week or in jobs where their main skills are not being utilized.

Exploratory grants are provided to individual workers to move temporarily to explore employment possibilities and to assess working and living conditions; trainee travel grants are available to individuals to move temporarily to attend approved training courses under the Adult Occupational Training Act; and relocation grants are provided to workers to move themselves, their dependants and household effects, when they have obtained continuing full-time employment in localities other than those in which they reside.

A worker who has received an exploratory grant can get an allowance for up to a maximum of four weeks to support his dependants while he is looking for work.

Workers who obtain relocation grants are eligible for the following allowances:

(i) Travel costs to the place of relocation for the worker and his dependants.

(ii) Movement of his household effects and mobile home (if that is his place of residence).

(iii) Re-establishment allowances to a worker who has resided in Canada for 12 months before making application: \$200 for the worker, \$200 for his first dependant, and \$100 for each additional dependant to a maximum of six, the maximum allowance not exceeding \$1,000.

(iv) Home owner's allowance: This is a lump sum allowance of $500 which will be paid to a worker who is eligible for a relocation grant and who

(a) has resided in Canada for at least 12 months immediately preceding the day on which he applied for a relocation grant;

(b) on the day he applied for the grant, owned the house in which he resided, or a dependant of his, or he together with a dependant of his

(i) was the owner, according to the records of the proper land registry or land titles office, of the land on which the house is located, whether or not such records indicate that the land is subject to one or more mortgages or hypothecs; or

(ii) was, according to the records of the proper land registry or land titles office, purchasing or has purchased or is otherwise acquiring or has acquired ownership of the land on which the house is located.

(c) within 12 months after moving to the locality in which he obtained suitable employment, has sold the house in which he resided at his former place of residence or purchased a house in the locality in which he obtained suitable employment.

(v) Medical examination; When a medical examination is a requirement for employment an allowance for such examination can be made.

Generally, persons will explore or relocate in the areas nearest to their place of residence. In order to obtain assistance the worker must obtain from his local Canada Manpower Centre authorization to move before the move takes place.

(f) <u>Occupational Training of Adults</u>

The Act for the Occupational Training of Adults (OTA), passed by the Canadian Parliament in 1967, is the broad foundation for adult occupational training in Canada; it is, at the same time, an

integral part of Canadian manpower policy. This program is viewed as both a major long-run investment program and a means of bringing about the short-run matching of jobs and people that is required for the effective functioning of the economy. It is implemented through more than 300 Canada Manpower Centres located across the country.

Under the program, the federal government purchases from the provinces or (with their concurrence) from industry or private trade schools the upgrading, skill, and apprenticeship courses that are needed to help workers increase their productivity, employability and income. The courses are selected on the basis of the known and expected needs of the economy for different skills as reviewed by joint federal-provincial committees. The federal government pays 100 per cent of the cost of the courses it selects, including an amount for the use of capital facilities and administrative overhead.

The basic philosophy underlying the program is the recognition that training and retraining must be a normal part of an adult worker's career in an era of rapid technological change. The program is thus available to all who are one year past the normal school leaving age and have been one year out of school, regardless of whether they are employed, unemployed, self-employed, or mature people (like housewives) intending to re-enter the labour force.

For most of these people, however, training is a realistic alternative only if it is accompanied by at least modest income replacement. Otherwise, people cannot effectively maintain their families for extended periods while in training; they are compelled to seek or remain in immediate work in less skilled and less needed occupations even at low rates of pay in order to finance themselves.

The allowance levels range from a minimum of $37 per week for a single person with no dependants to a maximum of $96 per week for a person with three dependants who must live away from home to take training. The minimum and maximum are adjusted each July 1 in relation to the average hourly earnings in manufacturing for the calendar year immediately preceding the date of adjustment.

In line with their fundamental function as income replacement, allowances are available to people referred to training who have either been working or looking for work for the past three years or who have dependants whom they must support. Employees who are being trained by their firms under agreements with the Department continue to receive wages, but a portion of these (depending on the amount of training that is not specific to the needs of the particular firm) are reimbursed to the employer by the Department.

In order to develop more adequate adult training resources, the legislation both permits teachers for adult occupational training courses to be trained under its terms and makes a separate provision for loans to the provinces to construct appropriate facilities for training. The loans are repaid with interest, over a period of up to thirty years, from the funds that the provinces receive from the federal government for their provision of training to adults under the legislation. To date, no loans have actually been made; the provinces are only now exhausting their quotas under the shared-cost capital grants described below.

The capital provisions of the Technical and Vocational Training Assistance Act (1961) have been carried over to the OTA legislation in order to help lagging provinces to come up to a reasonable level of facilities. Consequently, the federal government will for some time continue to make capital grants to the provinces for those purposes. They are at a 75 per cent cost-sharing rate until each province has received $480 for every person in its 1961 youth population; a further $320 per person is available at a 50 per cent shared rate.

INJURED WORKMEN

Programs covering workmen injured at work are the workmen's compensation programs operated in each province and federal programs of workmen's compensation for government employees and for seamen. Those injured at work and other than at work will be covered under the disability pension provisions of the Canada and Quebec Pension Plans which will become available early in 1970. Injured workmen not covered by workmen's compensation may be entitled to assistance under the blind or disabled persons allowances programs, or under general provincial assistance programs.

This section deals only with workmen's compensation. The programs for disabled persons in need and the disability pension provisions under the Canada and Quebec Pension Plans are explained in the section dealing with Disabled Persons.

(a) Workmen's Compensation

Compensation for employment injury is provided for by a law in each province. Under each law, compensation benefits are payable when, in an employment within the scope of the provincial workmen's compensation system, a workman sustains personal injury

which arises out of and in the course of his employment. Where the injury results in the workman's death, compensation is payable to his dependants. Compensation is also payable for disability or death due to an industrial disease resulting from employment.

In all provinces benefits are not payable during a "waiting period". In six provinces the waiting period has been reduced to one day, the day upon which the accident occurs. In three provinces the waiting period is three days and one province has a waiting period of four days.

Free medical aid and physical and vocational rehabilitation services are also furnished to an injured workman under the Workmen's Compensation Act of each province.

Compensation benefits are payable as a matter of right and regardless of negligence on the part of the employer or workman. The right to compensation is an exclusive remedy, that is, the workman is prohibited from suing his employer for damages for an injury sustained in the course of employment.

Benefits for disability are based on 75 per cent of average weekly earnings, subject to an annual ceiling. Payments continue for the duration of the disability. Where disability is permanent, a life pension is paid irrespective of future earnings. In case of minor disability, a lump sum may be paid. Medical and hospital benefits are provided without limitation, regardless of a waiting period. In case of death, compensation to dependants is a fixed monthly amount, which is not tied to wages.

In British Columbia, pensions to widows and dependent children and permanently disabled workmen are tied to the cost of living, and are increased 2 per cent annually for each 2 per cent rise in the consumer price index.

Each Act is administered by a largely autonomous Board or Commission which has full authority to decide all matters of compensation.

The Canadian workmen's compensation system is based on the two main principles of collective liability on the part of employers and compulsory insurance in an exclusive state fund, known as the accident fund.

The costs of compensation are borne entirely by employers. Each employer subject to the Act pays an annual assessment, at a rate determined by the Board on the basis of the accident experience in the class of industry in which he is operating. The rate of assessment is expressed as so many dollars or cents for each $100 of assessable payroll. The employers in each class of industry are collectively liable for the cost of all accidents occurring in that class. The scheme is basically one of mutual accident insurance.

In each province coverage is compulsory for all employment within the scope of the Act. The range of covered industries is now very wide and is steadily being expanded. There are, however, some gaps in coverage, particularly with regard to domestic servants, farm workers (expect in one province), workers employed by financial, insurance and professional undertakings and by non-profit organizations and workers in certain service industries. Undertakings in which not more than a stated numb r of workmen (three or five, as the case may be) are employed are excluded in four provinces.

Where industries and occupations are not automatically within the scope of the Act, employers are able to provide protection for their employees in practically all cases on application to the Board.

In Ontario and Quebec, the provincial and municipal governments and certain large companies, such as the railways and shipping companies and telegraph and telephone companies, are individually liable to pay compensation and medical aid costs, as determined by the Board, and to pay a proportion of the administrative expenses of the Board. Employees in these industries receive the same benefits as those employed in industries in which the employers are collectively liable.

In all provinces accident prevention is an important part of the workmen's compensation scheme.

Similar Workmen's Compensation Ordinances are in effect in the Yukon and Northwest Territories. These Ordinances provide for benefits comparable to those provided in the provincial Acts but are based on a system of private, rather than publicly administered, insurance. The employer is individually liable for the payment of compensation and must carry insurance to cover his liability.

A federal Act provides for the payment of employment injury compensation to federal government employees according to the scale of benefits provided by the Workmen's Compensation Act of the province

in which the employee is usually employed. Claims are adjudicated by the the provincial Workmen's Compensation Board and costs of compensation are paid by the federal government.

(b) Merchant Seamen's Compensation

Seamen who are not within the scope of a provincial law are entitled to compensation under the Merchant Seamen's Compensation Act. Under this Act the employer is individually liable for payment of compensation and is required to carry liability insurance.

The Merchant Seamen's Compensation Act provides employment injury or death benefits to seamen and their dependants for accidents arising out of their employment. The program is administered by the Merchant Seamen's Compensation Board, a federal government agency.

The plan covers all persons, except pilots and fishermen, employed or engaged on a ship registered in Canada or chartered by a person resident in Canada or having his principal place of business in Canada.

PERSONS IN NEED OF HEALTH CARE

Hospital care at the standard-ward level is provided in Canada through the federal-provincial insurance programs in all provinces and territories. Medical care is provided through provincial medical care plans in Saskatchewan, Alberta, British Columbia, Manitoba, Nova Scotia and Newfoundland. In these plans most or all of the eligible populations are protected because the provinces are participants under the federal Medical Care Act of 1966 which became operative on July 1, 1968. Alberta only began to participate in this national cost-sharing plan in mid-1969. Other provinces are expected to join later. Ontario has a public program which protects about one-quarter of its population. Persons not covered by these public programs can usually insure themselves under private voluntary plans. Medical care to needy persons is made available under the provisions of the Canada Assistance Plan in those provinces not yet participants for physicians' services insurance under the federal Medical Care Act. Public health services are provided by the provinces and are supplemented by services provided by the federal government. Federal grants to the provinces support the construction of hospitals, medical, dental and nursing schools, provide for training of people in the health professions, and assist the development of various preventive rehabilitative and public health services.

(a) Hospital Insurance and Diagnostic Services Plan

The federal-provincial hospital insurance program, now established in all provinces and territories, covers 99 per cent of the total population of Canada. This program was introduced under the federal Hospital Insurance and Diagnostic Services Act of 1957, although Newfoundland, Saskatchewan, British Columbia, and Alberta had provincial programs in operation for several years before that. Under the federal Act the federal government shares with the provinces the costs of provided specified hospital services to insured patients. The choice of methods of financing and administering the program at the provincial level, and the choice of the types of service offered above the minimum stipulated in the Act, rests with the provinces.

Federal legislation covers services in institutions approved to provide acute, chronic, and convalescent care. Institutions providing custodial care are excluded from this federal-provincial plan, but may be included under the Canada Assistance Plan. Tuberculosis and mental hospitals are also excluded, since all provinces have for many years provided free or low-cost care in such hospitals. However the psychiatric and tuberculosis units of general hospitals are included in the program.

The basic range of in-patient benefits that each province is required to provide under the Act includes standard ward accommodation and meals, nursing service, drugs and biologicals, surgical supplies, the use of operating and case rooms, diagnostic procedures (including X-ray and laboratory procedures) together with the necessary medical interpretations, and the use of radiotherapy and physiotherapy facilities, where available. The same benefits for out-patients, although authorized for assistance under the federal legislation, are not mandatory upon provincial plans. All provinces provide some insured out-patient services under the plan. The pattern varies from province to province, but among the services offered are emergency care following accidents, diagnostic services, and therapeutic services, including minor surgical and medical procedures. Some provinces provide certain psychiatric out-patient services.

Provinces use different methods of administering and financing their programs, and establishing eligibility for benefits. In some provinces the hospital insurance program is administered by the Department of Health, in others by a separate hospital services commission. Moneys raised through general revenues, provincial sales taxes, and personal premiums are used separately and in combination, in different provinces. In Ontario, Manitoba and Saskatchewan, eligibility for

benefits is dependent upon payment of a premium as well as fulfilment of residence requirements; elsewhere, residence in the province is the only determining factor of eligibility for benefits. Coverage is universal in provinces where no premiums are levied, and it is either automatic or compulsory in all provinces except Ontario, where participation in the insurance program is voluntary for certain groups of people.

Under the cost-sharing formula specified in the Hospital Insurance and Diagnostic Services Act, the federal government pays each province 25 per cent of the per capita cost of in-patient services in Canada as a whole plus 25 per cent of the per capita cost of in-patient services in the province, multiplied by the average for the year of the number of insured persons in the province. On a national basis, the federal contribution amounts to about 50 per cent of shareable costs. However, for individual provinces the proportion of shareable costs met by the federal government varies, with a higher proportion of the cost of low-cost programs than of high-cost programs being met.

(b) Public Medical Care Programs

As noted, seven provinces administer public programs of physicians' services insurance and in six of these participation under provisions of the federal Medical Care Act ensures that most of all of the eligible populations are protected and that costs are shared with the federal government. Alberta entered this national plan in mid-1969 and the remainder of the provinces are expected to enter within a couple of years. In addition several provinces have social programs for welfare recipients.

(i) The Federal-Provincial Medical Care Program

The Medical Care Act was passed by the Canadian Parliament in December 1966 and became operative on July 1, 1968. British Columbia and Saskatchewan entered the plan on that date and Manitoba, Nova Scotia and Newfoundland on April 1, 1969. The provisions of this statute are based on principles outlined by the Prime Minister in July 1965, when he announced the intention of the government to make available to the provinces federal financial contributions for provincially administered medical care programs.

In accordance with the terms of the Medical Care Act, the government of Canada contributes to any participating province half the per capita cost of all insured services

furnished under the plans of all participating provinces multiplied by the number of insured persons in that one province. In order to benefit from this federal contribution, a provincial plan must meet the following criteria:

(1) the plan must be operated on a non-profit basis by a public authority set up by the provincial government, subject in respect of its accounts and financial transactions to provincial audit;

(2) the plan must make available on uniform terms and conditions to all insurable residents of the province, insured services, which are defined as all medically necessary services rendered by medical practitioners;

(3) the plan must give entitlement to not less than 90 per cent of the number of eligible residents of the province during the first two years and not less than 95 per cent thereafter;

(4) for persons normally resident in Canada, the plan must not impose any minimum period of residence, although up to three months' waiting period for entitlement within a province is permissible if portability is provided for, so that persons retain coverage when temporarily absent from the province or during any required waiting period of not more than three months, for benefits in another province on change of residence.

In addition to the comprehensive physicians' services which must be provided as insured services by participating provinces, the Medical Care Act empowers the government to include any additional health services under terms and conditions which may be specified by the Governor-in-Council.

All insured services must be provided without exclusion because of age, ability to pay, or other circumstances.

There is provision in the Act for provincial authorities to designate non-governmental organizations as agencies which would be permitted to undertake restricted functions

in connection with the day to day premium-collection or claims-payment administration of the provincial plan. Thus, existing voluntary insurance carriers who wish might be designated for an agency-arrangement under the provincial authority. Such carriers, used in such a way, would be required to handle this agency aspect of their business on a non-profit basis and the payment of medical claims would, in accordance with the federal Act, be subject to assessment and approval by the provincial authority.

Carriers are used in this way in the plans in British Columbia, Manitoba and Nova Scotia.

Provinces can finance their share of the cost of services in any manner they wish -- through premiums, or taxation, or a combination of the two. But the Act contains a proviso, the intent of which is that no insured person should be impeded or precluded from reasonable access to insured services as a consequence of direct charges associated with the services received. The significance of this requirement is that so-called "authorized charges", or "co-charges", if imposed, must be no more than nominal.

A province may adopt any method it wishes of paying the providers of services, subject only to the proviso that "the tariff of authorized payments" is on a basis that ensures reasonable compensation for insured services rendered.

(ii) Provincial Medical Care Programs

Traditionally, and up to a couple of decades ago, most self-paying patients in Canada paid directly for personal health care services. In recent years, and for the services of physicians, especially, prepaid insurance has been replacing direct payment. At the end of 1966, the most recent year for final figures, about 12.0 million Canadians or 60 per cent of the population had some private voluntary insurance protection against the cost of physicians' services. When plans of all types, private and public, are considered together, the total with some form of protection was about 16.4 million persons or 82 per cent of the population. As

already noted, the proportion covered under public plans has increased rapidly in the past couple of years. Programs under the auspices of public authority have been developing along two well-defined pathways:

First, for the indigent, most provincial governments have assured payments to physicians and several, as well, to dentists, pharmacists for prescribed drugs, optometrists, and others. Such programs have operated in several provinces for many years and the remaining provinces have recently made similar provisions. Under the Canada Assistance Plan, the cost of the services can be shared by the Government of Canada. This plan is described in greater detail under (iii) below.

Secondly, for the general population, seven provincial governments have introduced programs intended to ensure that all residents can have physicians' services insurance. In six provinces -- Newfoundland, Nova Scotia, Manitoba, Saskatchewan, Alberta, and British Columbia -- all or most of the eligible populations are covered because of the inclusion of these plans under provisions of the Medical Care Act. Ontario has a similar plan as regards benefits, which covers about one-quarter of its population.

Most of these plans, in addition to the comprehensive range of physicians' services that can be cost-shared under the Medical Care Act, also make provision for other health-care benefits to be included as part of the basic contract or as options at a somewhat higher premium cost. Typically, refraction services by optometrists are now included. Additionally, a restricted volume of services by chiropractors, podiatrists, osteopaths and naturopaths can be insured.

Five of the plans employ premiums to help finance costs. Two plans, Newfoundland and Nova Scotia, finance the provincial portion of costs from general revenues only. The premium levy is kept low in Saskatchewan to minimize the financial burden on low-income families; this problem is approached differently in Ontario, Alberta and British Columbia through the device of premium subsidy available to families with little or no taxable income. In the two provinces financed entirely from general revenues there is, of course, virtually no direct cost to low-income families apart from extra-billing that doctors may impose.

Saskatchewan - This program which was introduced in July, 1962, requires enrolment of the entire eligible population. The premiums are compulsory and are for a family, $24 per year and for a single person, $12. These premiums cover only a portion of the costs of the program.

Among the medical services insured are home, office and hospital visits, surgery, obstetrics, psychiatric care outside mental hospitals, anaesthesia, laboratory and radiological services, preventive medicine, and certain services provided by dentists. There are no waiting periods for benefits and no exclusions for reasons of age or pre-existing health conditions.

The public administration authority pays for approved services on the basis of 85 per cent of the listed fee except for certain classes of services where a utilization fee applies. These fees are $1.50 for each office visit and $2.00 for each home and out-patient call and are payable by the patient to the attending physician. In these instances the financial responsibility of the public authority is reduced by the amount of the applicable fee. To avoid financial hardship to patients in exceptional cases there is provision for a family maximum on the total amount of such fees that must be paid.

Physicians may elect to receive payment in four ways. First, the physician may receive payment directly from the public administering authority of 85 per cent of the tariffs in the current schedule of fees of the organized profession less the utilization fee, and accept this payment, along with the fee he may charge the patient, as payment in full. Secondly, patients and physicians may enrol voluntarily with an "approved health agency" that serves as intermediary, with respect to payment, between the public authority and the physicians; here also the physician receives 85 per cent of the tariff. Thirdly, a physician may elect to submit his bill directly to the patient who pays him either before or after seeking reimbursement from the public authority; the physician may bill the patient directly for amounts over and above what the public authority has paid. Fourthly, patient and physician may, if they agree, settle their accounts privately without involving any public authority or approved health agency.

Alberta - The Alberta Medical Plan as originally introduced in October 1963 provided for public regulation of approved voluntary plans with regard to minimum benefits and maximum premiums and was primarily designed to help residents having poor health and low income to purchase voluntary medical care insurance from approved non-profit and commercial agencies. It was required that the benefits provided be comprehensive and that there be no exclusions because of age, pre-existing health conditions, or a previous record of high utilization.

The plan was financed from personal premiums alone. The government contributed, as a subsidy, 80 per cent of the premium for persons with no taxable income, 50 per cent for persons with annual taxable incomes from $1 to $500, and 25 per cent for persons with annual taxable incomes from $501 to $1, 000.

On July 1, 1966, this plan was supplemented by an extended health-benefit plan which, for an additional premium, offered other benefits including prescribed drugs, optometry, physiotherapy, ambulance service, osteopathy, chiropractic, podiatry, naturopathy, and certain medical supplies and appliances. A deductible amount, co-insurance charges, and limited liability applied to some of these benefits.

On July 1, 1967, these plans were superseded by the Alberta Health Plan, operated by the Department of Health for all residents voluntarily seeking individual or family enrolment. The new plan is divided into two parts, basic health services and optional health services; the latter is further sub-divided into options A, B and C. Any subscriber to the basic plan is eligible to contract for additional benefits by paying additional premiums, under any one or more of the options.

The basic plan covers all services of physicians including annual health examinations, with payment of 100 per cent tariff; special dental surgery; limited optometric services; and podiatric and osteopathic services up to $100 annually. Option A offers as additional benefits certain services that are not already insured under the provincial hospital plan, including the daily co-insurance charge in a standard ward (limited to 180 days per year if the patient is in a chronic hospital), differential charge for a semi-private room, certain hospital out-patient charges, and ambulance benefits up to $100 per year. Option B covers prosthetic appliances and

up to 80 per cent of the cost of prescribed drugs. For prescribed drugs the subscriber pays 20 per cent or $1 per prescription, whichever is greater. Purchase and repair of artificial limbs, eyes, and braces, prescribed by a physician, are also covered up to $300 per year. Option C offers chiropractic and naturopathic services up to $100 per year.

Premium rates for the basic plan are $76 per year for single persons, $152 for families of two persons, and $200 for families of three or more. Options A and B cost an additional $24, $48, or $72 each and Option C $12, $24 or $36 per year, depending upon the number of persons. For individuals or families with little or no taxable income, premiums for both the basic plan and options B and C may be reduced, by means of subsidies from the province. These premium reductions vary from 92 per cent to 74 per cent for the basic plan, and are 50 per cent for options B and C. There is no subsidy for option A. They apply to single persons with up to $500 taxable income, and to families with up to $1,000 taxable income in the previous year.

Alberta became a participating province in mid-1969 under the federal Medical Care Act. Thus in Alberta, as in the five provinces already participating for longer periods of time, most or all of the eligible population will be insured for a comprehensive range of physicians' services.

British Columbia - The original government-operated British Columbia medical plan took effect in September 1965. It was administered by an agency directed by representatives of the government and the medical profession. The benefits included most physicians' services as well as limited physiotherapy, special nursing, chiropractic and naturopathy. For eligible residents, the government offered subsidies totalling 90 per cent of the premium for persons with no taxable income and 50 per cent of the premium for persons with taxable income from $1 to $1,000. In addition, the government established a medical grant stabilization fund, initially of $2 million, to cover possible deficits.

The plan became one of several carriers or agencies of the British Columbia Medical Services Commission when this body was established as the public authority, as already

noted, to operate a comprehensive program beginning July 1, 1968 under the federal Medical Care Act. Under this program the commission sets out criteria for population coverage, levels of benefits, and premiums to be charged, and these criteria must be adhered to by all approved non-profit carriers, which act as agents. The commission is also responsible for assessment of accounts and approval of payments. As of early 1969, annual premiums were $60 for single persons, $120 for a family of two, and $150 for a family of 3 or more.

Ontario - The Ontario medical services insurance plan began paying benefits in July 1966. The plan offered to all eligible Ontario residents, on an individual and family enrolment basis, an insurance plan that covered most physicians' services.

The government pays, as a subsidy, the full premium of applicants who had had no taxable income during the preceding year, and of recipients of public assistance. It pays 50 per cent of the premium for a single applicant who had a taxable income of $500 or less; 50 per cent of the premium for a family of two persons with a total taxable income of $1, 000 or less; and 60 per cent of the premium for a family of three or more persons with a total taxable income of $1, 300 or less.

Annual premiums in early 1969 were $70. 80 for a single person, $141. 60 for a family of two, and $177. 00 for a family of three or more persons.

A limited amount of group coverage insurance is offered, but in the main, such enrolment is left to voluntary private plans.

Newfoundland - On April 1, 1969, the long-established Cottage Hospital Medical Plan, similar plans operated by voluntary associations, and the Children's Health Service were superseded by a comprehensive physicians' services insurance program conforming to the requirements of the federal Medical Care Act. The salaried arrangements under which the government employed physicians to serve in isolated and sparsely-settled districts were, however, retained in modified form.

The basis for eligibility for insured services under the new plan is residence only. No premium payments are required. Costs are met from general revenues.

Benefits include the basic medical, and the limited dental-surgery, services required under the federal Act. The patient, as in other provinces, has free choice of physician. A doctor may choose to be paid directly by the administering authority or directly by the patient, who is reimbursed.

Nova Scotia - This province also introduced a comprehensive plan on April 1, 1969. Like that in Newfoundland, it requires registration of the population. Residence is the basis for eligiblity, and no premium payment is required. Failure to register does not preclude submission of claims for benefits. The ranges of benefits are similar to those in Newfoundland and so are the ranges of choice available to doctors and patients.

Manitoba - The province of Manitoba introduced a comprehensive program on April 1, 1969. Registration of the eligible population is compulsory, as in the neighbouring province of Saskatchewan, and so is payment of premiums ($4.90 per month for a single person and $9.80 for a family) but eligibility for insured benefits is not dependent, as is the case in Saskatchewan and in other premium-financing provinces, upon prior payment of the premiums. Residence requirements must however, be satisfied.

The insured benefits cover all medically-required services provided by medical practitioners, and limited dental-surgery in hospital. There is provision for amending legislation to broaden benefits by including the services of chiropractors and refractions by optometrists. As in other provincial plans patients have free choice of physicians and physicians can choose whether to receive payment directly from the patient or from the public authority.

(iii) Health Care Programs for Welfare Recipients

Provincial programs enrolling specified categories of welfare recipients for health benefits have been in operation for several years in Ontario, Saskatchewan, Alberta, British Columbia, Nova Scotia, and Manitoba. Newfoundland had for many years operated plans that provided care as required for persons in need.

Each of these schemes provided certain physicians' services benefits under special arrangements with the provincial medical association, and in the western provinces a range of other health services.

Between 1962 and 1967 Saskatchewan, Alberta, British Columbia, and Ontario introduced province-wide medical insurance schemes replacing previous provisions and providing automatic insurance coverage of physicians' services to welfare recipients. Beginning in 1966, Quebec, Prince Edward Island, Manitoba and New Brunswick set up new medical welfare plans to provide physicians' and in some instances, other services expressly for welfare recipients. Nova Scotia provided coverage to selected categories of needy persons.

These changes coincided with the introduction of the Canada Assistance Plan and the Medical Care Act.

In any province introducing a program under the federal Medical Care Act, provision for payment of physicians' services is transferred to this program.

The range of physicians' services covered under each scheme is virtually comprehensive and includes physicians' visits in the home, office and hospital, surgery, diagnostic and therapeutic procedures, and obstetrical care. All generally-used prescription drugs are also included in New Brunswick, Manitoba, Saskatchewan, British Columbia and to specified groups in Alberta. Co-charges may be required if the patient is able to pay. Extensive dental care and optical care are provided to all beneficiaries in the four westernmost provinces, although certain services may be subject to special authorization, to dollar limits, or both. Ontario has a basic dental care program for recipients of mothers' and dependent fathers' allowances and their children, and shares the cost of prescribed optical care, prosthetic appliances, drugs, and dental care, provided at municipal discretion. Such services as home nursing, appliances, physiotherapy, podiatry, chiropractic, and emergency transportation may also be paid under some programs, usually at the discretion and with prior authorization of the provincial authority.

(c) Voluntary Medical Insurance

Protection against the cost of medical care services provided by physicians is available under non-profit plans such as Physicians' Services Incorporated, Blue Cross and under profit seeking plans

operated by private insurance companies. Often such medical insurance plans are provided at the place of one's employment with employers usually paying part or all of the cost. In other work establishments plans are available for participation by the employees who pay the full cost. In addition to these work-connected insurance plans, medical care insurance may be obtained privately from insurance companies or non-profit organizations operating such schemes.

About 11, 980, 000 Canadians, or 60 per cent of the population of Canada, had voluntarily secured some protection against the costs of physicians' services at the end of 1966.

At the present time the operations of many plans of the non-profit type are, as regards physicians' services benefits, being melded into public authority administrations especially in provinces which have introduced programs under the federal Medical Care Act. For this reason it is probable that enrolment declined between 1966 and 1969.

VETERANS

Income maintenance programs with health and welfare services are provided for veterans and certain civilians with war service and their dependants. These include pensions for war-connected disability or death and means-tested allowances. There are programs, too, for vocational and educational assistance, veterans insurance, and financial assistance to veterans who wish to farm or settle on small holdings or become commercial fishermen under the Veterans' Land Act.

(a) War Veterans Pensions

Under the Pension Act administered by the Canadian Pension Commission, pensions are provided in respect of disability or death resulting from injury or disease incurred during or attributable to service with the Canadian Armed Forces in wartime or arising out of or directly connected with service in peacetime.

Pensions are payable to veterans according to the degree of disability with an additional pension if there are dependants. In event of death, pensions are payable to widows and children and to parents if they were dependent.

(b) Civilian War Pensions and Allowances

Under the Civilian War Pensions and Allowances Act, pensions and allowances are provided to specified civilian groups who contributed

to the war effort in World War I and World War II. Pensions are payable to qualified persons and their dependants in the same way as under the Pension Act for veterans.

(c) War Veterans Allowances

The War Veterans Allowances Act provides allowances to eligible veterans who, because of age or incapacity, are unable to work and have insufficient means as determined by a special means test. Veterans of the Canadian, Commonwealth, and Allied Forces and their widows and orphans may obtain benefits under the program. Application for allowances must be made to the War Veterans Allowance District Authority, established in the regional districts of the Department of Veterans Affairs, responsible for the administration of the Act within their particular district. The legislation is administered by the War Veterans Allowance Board which also acts as an appeal court with respect to decisions made by the District Authority. At August 31, 1968, there were 83,673 recipients of these allowances consisting of 51,423 veterans, 31,927 widows and 323 orphans. The annual liability was $93,245,049.

(d) Civilian War Allowances

Part XI of the Civilian War Pensions and Allowances Act provides an allowance to certain groups of civilians who performed meritorious service in a theatre of actual war during World War I or World War II and to those who are in receipt of a pension under the Act. Allowances are also payable to the widows and orphans of such civilians. Rates of allowances, annual income ceilings, personal property limits and real property limits are the same as those in the War Veterans Allowances Act. Application for allowances must be made to the War Veterans Allowance District Authority, established in the regional districts of the Department of Veterans Affairs, responsible for the administration of the Act within their particular district. The legislation is administered by the War Veterans Allowance Board which also acts as an appeal court with respect to decisions made by the District Authority.

At August 31, 1968, there were 1,626 civilians, 404 widows and five orphans in receipt of Civilian War Allowances for a total of 2,035 recipients. The annual liability for these was $2,887,262.

(e) Assistance Fund

Recipients of benefits under the War Veterans Allowance Act and Part XI of the Civilian War Pensions and Allowances Act living in Canada may be given help from the Assistance Fund if their total income is lower than the permitted maximum. Assistance may take the form of monthly supplement based on shelter, fuel, food, clothing, personal care and specified health costs or of a single award to meet an unusual or emergency need. The number of persons assisted during 1966 was 21,837, the number in receipt of monthly supplements at the end of the year was 15,135 and the Fund expenditures for the year amounted to $5,929,316; the comparable figures for 1965 were 21,050, 15,736, and $5,489,826, respectively.

FARMERS

Basic to the concept of Canada's national agricultural policy is the premise that a stable agriculture is in the interests of the national economy and that farmers as a group are entitled to a fair share of the national income. In pursuit of these objectives, the Department of Agriculture has carried on, over a long period, a program designed to aid agriculture through the application of scientific research and the encouragement of improved methods of production and marketing and through its assistance programs, covering some of the spheres of soil and water conservation, price stability, provision of credit, rural rehabilitation and development, and crop insurance and income security in the event of crop failure. Over the years, as conditions have warranted, special situations have required the initiation of programs to deal with them, such as the Prairie Farm Rehabilitation Act to deal with the results of the drought in the 1930's; the Prairie Farm Assistance Act to mitigate the effects of crop failure; Feed Grain Assistance Regulations to assist in the movement of western feed grains to Eastern Canada and British Columbia; and the Maritime Marshland Rehabilitation Act to save valuable soil in the Maritime Provinces. Much has been accomplished and will be accomplished by these measures, but significant structural changes in agriculture have changed the form of marketing and income problems. Consequently new legislation was enacted to meet these situations: price support (Agricultural Stabilization Act), crop insurance (Crop Insurance Act), and rural, social and economic development (Agricultural Rehabilitation and Development Act and the Fund for Rural Economic Development Act) and credit facilities (Farm Improvement Loans Act, Prairie Grain Advance Payment Act, Farm Machinery Syndicates Credit Act). This section describes the major

income support and social development programs that have been established to improve economic opportunities for farmers and examines the relationship of this group to the social security system.

(a) The Agricultural Stabilization Act

The Agricultural Stabilization Act stabilizes the prices of agricultural products to assist agriculture in realizing fair returns for labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of goods and services that they buy. In a sense this program can be compared to minimum wage legislation for industrial workers.

During the ten fiscal years that the Act has been in operation to March 31, 1968, the cost of stabilization programs has averaged about $67,000,000 a year. The Agricultural Stabilization Board has available a revolving fund of $250,000,000. Losses incurred are made up by Parliamentary appropriations and any surplus is paid into the consolidated revenue fund. An advisory committee named by the Minister of Agriculture and composed of farmers or representatives of farm organizations assists the Board in its operations.

(b) Prairie Farm Assistance Act

The Prairie Farm Assistance Act, passed in 1939, provides for direct money payments by the federal government on an acreage-and-yield basis to farmers in areas of low crop yield in the prairie provinces and in the Peace River area of British Columbia. Its purpose is to assist in dealing with a relief problem which the province and municipalities cannot meet alone and to enable farmers to put in a crop the following year. All farmers, except those covered by a provincial government crop insurance scheme, are required to contribute one per cent of the cash value of all grains sold through licensed elevators to the prairie farm emergency fund from which awards under the Act are paid. Deficits of the prairie farm emergency fund are made by the federal government from the consolidated revenue fund.

(c) Crop Insurance Act

The federal Crop Insurance Act, passed in 1959, assists in making the benefits of insurance protection on crops available in all provinces. This Act does not set up any specific insurance scheme but rather permits the federal government to assist the provinces to do so by making direct contributions towards the costs of providing insurance.

Contributions from the federal Treasury are limited to 50 per cent of the administrative costs incurred by a province and 25 per cent of the amount of premiums paid in one year. In addition the federal government may make loans to a province equal to 75 per cent of the amount by which indemnities in any year exceed premium receipts for that year, the reserve for payment of indemnities, and $200,000. As an alternative to such loans the federal government may reinsure a major portion of the provincial risk in a crop insurance program.

Farmers insured under the Act are not eligible for payments under the Prairie Farm Assistance Act nor are they required to pay the 1 per cent levy on grain sales as provided for under the Act.

The initiative for establishing schemes to meet their original requirements rests with the provinces. Insurance plans may be developed on the basis of specific crops for areas within the province and agreements between the province and the federal government set out in the terms of insurance coverage.

By the end of 1967 crop insurance legislation had been passed by the provinces of Manitoba, Saskatchewan, Prince Edward Island, Alberta, Ontario, British Columbia, Nova Scotia and Quebec and in 1968 insurance for a variety of crops was being sold in all of these provinces with the exception of Nova Scotia.

In 1968 a total of 65,683 farmers participated in the various provincial programs and the total amount of insurance in force was slightly in excess of $188,000,000.

(d) Rural Economic and Social Development

The Agricultural Rehabilitation and Development Act, (ARDA) proclaimed in 1961, arose out of recognition of a national interest in achieving better land use, improving the viability of farm units at present uneconomic, and of improving employment and income opportunities in rural areas. In many areas of Canada, income is unacceptably low and land use faulty or inefficient. To some considerable degree these economic, social and conservation problems have been caused by farm mechanization which places smaller, less-mechanized farmers at a disadvantage; a notable symptom of this is the decrease in the number of farms in Canada from about three quarters of a million in 1931 to less than half a million (431,000) in 1966.

The Act, amended in 1966 as the Agricultural and Rural Development Act and supplemented by the Fund for Rural Development Act of 1966, is intended to be complementary and supplementary to

existing federal and provincial legislation in respect of renewable resources and rural social and economic development, to aid in correlation and expansion of existing programs, and to fill gaps. As such, it has considerable potential as an instrument for programs of alternate land use, soil and water conservation, development of rural income and employment opportunities, and for research. ARDA is a federal-provincial program which operated from its inception to Mar. 31, 1965 under a federal-provincial General Agreement, and after that time under the Federal-Provincial Rural Development Agreement covering the period 1965-70. Under the general agreement, ARDA approved projects involving a federal share totalling $34, 517, 000 of which $13, 484, 000 was expended during the period. The federal share is usually in the order of 50 per cent of total cost. The Federal-Provincial Rural Development Agreement 1965-70 provides for the expenditure of $125, 000, 000 during that period. In addition, $300, 000, 000 is provided under the Fund for Rural Economic Development Act to finance major projects in special rural development areas. During 1966-67, the federal government committed ARDA funds to the extent of $39, 429, 000, covering 371 projects.

(e) Farmers and Social Security

Farmers are eligible for coverage and benefits under most of the social security programs in Canada. No distinction is made between the rural and urban population in this respect. Their children are eligible for family and youth allowances, and farmers and farm workers are eligible to receive the old age security pension and guaranteed income supplement. They are covered under the hospital insurance programs and provincial medical care programs. Farmers in need are eligible for social assistance under provincial welfare programs on the same basis as anyone else in Canada. When the Canada and Quebec Pension Plans were established, provision was made thereunder for the participation of farmers and farm workers, so that these groups are covered and protected under this comprehensive social insurance measure. On April 1, 1967, farm workers were covered under the unemployment insurance program. Farmers being self-employed are not covered under this scheme. As a general rule farm workers are excluded under provincial workmen's compensation programs. In practice, Alberta, British Columbia, Manitoba, Newfoundland, Ontario, and Prince Edward Island grant coverage to farm workers but the numbers covered are few. In Ontario alone coverage is compulsory for farm workers whereas in other provinces, unless the farmers make voluntary application for coverage, farm workers may only take action in the courts of law for accidents arising from employment.

FISHERMEN AND SEAMEN

Fishermen and seamen as individuals are covered under most social security programs. In addition, there are several programs designed specially for these people.

(a) Fishermen's Indemnity Plan

The Plan, administered by the Department of Fisheries, since 1953 has offered fishermen operating fishing vessels the opportunity of obtaining insurance against total or partial loss of their vessels for a nominal premium of one per cent a year of the appraised value of the vessel, provided the appraised value is not greater than $15,000.00, in the provinces of Prince Edward Island, New Brunswick, Quebec, the Northwest Territories and the Canadian Arctic; and a premium of one and a half per cent in the provinces of Newfoundland, Nova Scotia and British Columbia.

For vessels having an appraised value of between $15,000.00 and $25,000.00, inclusive, the premium in all the above mentioned provinces is two per cent of the total appraised value of the vessel. In cases of total or partial loss the indemnity is paid subject to a deductible varying according to the province in which the home port of the vessel is situated.

The plan also provides a measure of low cost insurance to lobster fishermen on their lobster traps.

(b) Unemployment Benefits

Unemployment insurance benefits are provided to both self-employed fishermen and fishermen who are employees. This is the only occasion where unemployment insurance coverage is extended beyond employees to self-employed workers. The fish buyers assume the role of employers for this purpose. Such coverage acknowledges the situation that many fishermen are small scale operators, and that fishing is carried out by family units.

(c) Sick Mariners

The Department of National Health and Welfare provides compulsorily insured medical, surgical, hospital, and other treatment services to crew members of all foreign-going ships arriving in Canada

and Canadian coastal vessels in interprovincial trade, and provides medical, surgical, and treatment insurance on an elective basis to crew members of Canadian fishing and government vessels. Canadian seamen obtain their hospital care under the provincial hospital insurance plans.

IMMIGRANTS

Immigrants to Canada qualify under many of Canada's social security programs. This section is intended to explain the entitlement of immigrants to these programs, but it is not intended to repeat in detail the program features which are explained elsewhere in this publication.

(a) Family and Youth Allowances

Children up to age 16 of immigrants or returning Canadians qualify for family assistance payments equivalent to those under family allowances for their first year of residence in Canada. Immigrant parents upon admission at the port of entry are given an application form and a self-addressed envelope for family assistance. After one year children are automatically transferred without application to the family allowances program. Payment of allowances under family assistance or family allowances is conditional on the children being maintained by their parents.

Immigrant children age 16 and 17 qualify immediately for youth allowances (such children in Quebec would qualify under the Quebec schooling allowances program). Youth allowances are paid on behalf of children attending school full time or who are unable to attend school because of physical or mental infirmity.

More information relating to these programs is found in the section on children.

(b) Old Age Security Pensions and Guaranteed Income Supplement

Eligibility for the old age security pension is subject to age and residence conditions. These conditions apply equally to Canadian nationals and non-nationals alike and citizenship is not a factor in eligibility.

Pensionable age is 66 and over in 1969. This will be reduced one year in 1970 so that from that year on the pensionable age will be 65 years and over.

A person must have 10 years' residence in Canada immediately preceding approval of his application to qualify for the old age security pension. If there are gaps in his residence during the 10 year period, a person must have resided in Canada in earlier years for periods equal in total to double the length of the gaps and have been resident in Canada for the year just before the date on which application for pension is approved. Also, a person may qualify for the pension on reaching pensionable age if he has resided in Canada for 40 years after reaching age 18, thereby enabling persons to qualify for a pension who have left Canada before reaching qualifying age.

If a person becomes eligible for the old age security pension and has resided in Canada for a total of 25 years after reaching age 21, the pension is payable whether or not he resides in Canada. If he does not meet this requirement and is absent from Canada for more than six consecutive months following the month of departure the pension is suspended until he returns to Canada.

An old age security pensioner may qualify for the guaranteed income supplement provided he meets an income test. The old age security pension and the guaranteed income supplement are explained in more detail in the section dealing with Aged Persons.

(c) Unemployment Insurance

Newly arrived immigrants, like all other persons in Canada who are entering insured employment for the first time, acquire rights to regular and seasonal benefits payable under the unemployment insurance program after making contributions for the required number of weeks. While the program covers a large segment of the labour force, certain kinds of employment are excluded from this program (see also section on Unemployment Insurance).

(d) Canada Pension Plan

An immigrant working in Canada as an employee or a self-employed person is eligible to participate in the Canada Pension Plan.

To participate in the Plan a person must be between the ages of 18 and 70 and earn more than $600 yearly as an employee, or at least $800 as a self-employed person.

The Plan is universally applicable throughout Canada, except in the Province of Quebec where a comparable pension plan has been established. The Canada and Quebec Pension Plans are closely co-ordinated and operate virtually as a single program. Together, they cover almost all members of the labour force in Canada.

Benefit credits accrued under the Canada or Quebec Pension Plan are portable throughout Canada. A contributor who may have more than one employer during his lifetime or who may be self-employed for all or part of his working life will accumulate pension credits regardless of where he may work in Canada.

Benefits payable under the Plan are classified under three main headings: retirement pensions, disability pensions for contributors, with additional benefits for their dependent children; and survivors' benefits, consisting of a widow's pension, a disabled widower's pension, orphans' benefits, and a lump sum death benefit.

Benefits under the Plan are payable to beneficiaries whether or not they live in Canada.

For further information on entitlements under the Canada and Quebec Pension Plans see sections on Aged Persons, Disabled Persons, Survivors, and Children.

(e) Social Assistance

Social assistance is available to immigrants after an initial period in Canada. The length of this initial period depends upon whether the immigrants are sponsored or unsponsored. Unsponsored immigrants who are in need on arrival are assisted by the Department of Manpower and Immigration until employment has been found for them. Sponsored immigrants are the responsibility of their sponsors during their first five years in Canada.

(f) Hospital Insurance

All residents of Canada are eligible for hospital insurance through joint federal-provincial programs. Immigrants as residents are eligible for hospital insurance, but tourists, transients and visitors are not classified as residents and are not eligible for coverage.

In three provinces (Ontario, Manitoba and Saskatchewan) eligibility for benefits is dependent upon payment of an insurance premium as well as meeting a residence condition. In all other provinces, residence is the only requirement for eligibility for benefits. Coverage is universal in all provinces where no insurance premiums are levied. In Manitoba and Saskatchewan coverage is compulsory, while in Ontario participation is compulsory for residents employed by organizations with 15 or more employees and voluntary for other residents.

Immigrants will normally qualify for hospitalization benefits at the end of a three-month waiting period. Newfoundland, Saskatchewan, Alberta and the Northwest Territories waive the waiting period for landed immigrants. Saskatchewan requires payment of the hospital tax before benefits are made available to newly-landed immigrants. It is possible to obtain temporary insurance against hospital costs arising in the three-month waiting period applicable in most provinces. Information on this private insurance can be obtained from the Blue Cross Plan for Hospital Care, 24 Ferrand Drive, Don Mills, Ontario.

More information on hospital insurance is provided elsewhere in this publication in the section entitled "Hospital Insurance and Diagnostic Services Plan". Information provided herein is only a guide.

(g) Medical Care

Several provinces have in operation insurance plans that, in the main, pay the full cost of virtually all physicians' services whether rendered in the patient's home, in the doctor's office, or in hospital. The insured services include surgery and diagnostic tests. The normal waiting period for immigrants is three months after establishing residence in the province. Some provinces, however, have arrangements for waiving this period. As an example, in Saskatchewan a landed immigrant may receive immediate coverage upon registration and payment of the premium.

In areas where government-administered physicians' services insurance is not yet developed voluntary plans offer coverage under varying terms and conditions.

In the seven provinces -- Newfoundland, Nova Scotia, Ontario, Manitoba, Saskatchewan, Albert and British Columbia -- operating public plans there can be no exclusions or limitations of membership or of benefits for reason of age or previous medical condition. The basic insured benefit is physicians' services but some plans also insure, sometimes as an added option at higher cost, such benefits as the services of

optometrists, druggists for prescribed medicaments, physiotherapists, podiatrists (chiropodists), chiropractors, osteopaths and naturopaths. Enrolment in plans is required in Saskatchewan and Manitoba, which have a premium structure; is automatic by virtue of residence in Nova Scotia and Newfoundland, which have no premium levies, and is optional in Ontario, Alberta and British Columbia. The family premium levies, where applicable, can range from $24 to $200 for one year of protection. Some provinces, with relatively high premium structures, have provision for reduction of these to nominal amounts through the device of subsidy if the applicant had little or no taxable income during the previous year.

In addition to the medical examination of immigrants, the Medical Services of the Department of National Health and Welfare assists immigrants to obtain treatment after arrival in Canada. (1) It pays for medical and dental care of unsponsored and indigent immigrants who become ill enroute or while awaiting employment who do no qualify for provincial health services. In provinces that do not extend hospital care to immigrants, these costs are shared equally for a period not exceeding one year by agreements between the Department of Immigration and the provincial governments.

Further information on medical care is available elsewhere in this publication in the section entitled "Public Medical Care Programs".

(h) Adult Occupational Training and Manpower Mobility Programs

Immigrants are also covered by provisions of the occupational training for adults program and of the manpower mobility program, administered by the Canada Manpower Division (for further information see section on Unemployed Persons).

INDIANS AND ESKIMOS

Indians and Eskimos are entitled to benefits payable under universal federal programs such as family and youth allowances, old age security pensions and the guaranteed income supplement. If they are contributors, they are entitled to benefits under the unemployment insurance program and the Canada and Quebec Pension Plans, and if employed at work coming under workmen's compensation, are covered by these programs. As veterans of the armed services they are entitled to those benefits available to all veterans in Canada.

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(1) Under Order-in-Council P. C. 1957-11/848.

All Indians and Eskimos are also eligible for certain provincial and territorial welfare allowances and services as residents of these jurisdictions. These include categorical allowances for the blind, the disabled, and the aged, medical rehabilitation services in most provinces, and child welfare services in British Columbia, Nova Scotia, Ontario and Manitoba.

The further extension of provincial services to Indians on reserves will be facilitated under the Canada Assistance Plan, which provides for federal contributions toward the cost to provinces and municipalities of providing financial assistance and welfare services to Indians. The Plan provides that with the consent of the Indian band involved, agreements with the provinces be made by the Department of National Health and Welfare in conjunction with the Department of Indian Affairs and Northern Development. Full participation under the Plan will be a great step toward the primary goal of helping Indians and Eskimos participate more fully in the nation's social and economic life.

The provision to Indians and Eskimos of Welfare benefits and services not included in the federal and provincial programs outlined above constitute a residual responsibility of the Department of Indian Affairs and Northern Development which has a legal and historical interest in Indian and Eskimo affairs. Included among such benefits and services are the provision by Departmental welfare staff of social assistance and auxilliary services to Indians in need on the reserve, as well as child care services and institutional care for adults. In a number of instances these benefits have been provided by provincial welfare services on the basis of cost-sharing agreements between the Department of Indian Affairs and Northern Development and the provincial governments involved. There is also a developing trend for Indian bands to undertake the administration of their own welfare services.

Until recently the Department of Indian Affairs and Northern Development was solely responsible for administering social services to Indians and Eskimos in the northern territories. On April 1, 1969, the Territorial Government of the Northwest Territories took over this administrative responsibility, leaving only those programs for Indians in the Yukon under federal administration.

The Department of Indian Affairs and Northern Development employs a multi-disciplined staff to work with Indians on reserves in various forms of self help. This kind of assistance covers such fields as homemaking, community improvement campaigns, and recreation

programs. Departmental staff are also involved in many activities related to programs of social security such as development of local government, community development, relocation for employment, vocational training and housing.

Leadership training programs for members of the Indian and Eskimo communities have been developed to increase awareness of community needs and to foster the formation of additional appropriate Indian organizations for health, welfare, education, and recreation. These programs have been developed with the co-operation of university extension departments, provincial departments of education and various health and welfare organizations.

Private and voluntary agencies are also contributing toward improving the condition of Indians. In some urban areas surveys have been conducted by welfare councils on the needs of Indians moving to those areas. As a result improvements are being made in the facilities available for accommodation, recreation and other needs. Organizations of Indians, Eskimos and other citizens, such as the Indian-Eskimo Association have been formed which serve as resource, liaison and services agencies working with other agencies and with governments toward the advancement and participation of native peoples in Canadian life.

CHAPTER III - SOCIAL SECURITY EXPENDITURES IN CANADA

A measure of the extent and importance of Canada's social security programs can be gained from an examination of social security expenditures by the three levels of government: federal, provincial and municipal. The expenditures shown in the following tables cover most of the programs described in this study.

Expenditures are reported for programs providing benefits for old age, survivors, families and youths, unemployment, disability, workmen's compensation and veterans, as well as public medical and hospital care, public health services and welfare services including certain services to veterans, and the administrative costs of all of these programs. Housing, education and agricultural price support programs are excluded as are superannuation and pension benefit programs for government employees or employees in other industries with occupational pension plans. Benefits under private medical care insurance plans are also excluded.

In the seven year period ending March 31, 1968, social security expenditures by all levels of government grew from $3,689 million in 1961-62 to $6,553 million in 1967-68, an increase of 77.6 per cent. Per capita expenditures increased from $201 to $319, an increase of 58.7 per cent.

Government social security expenditures in Canada may also be measured in relation to major economic indicators. Expenditures over the same seven year period rose from 12.8 to 13.9 per cent of net national income and from 9.6 to 10.4 per cent of the gross national product as shown in Table A. The percentage relationships declined from peaks in 1961-62 of 12.8 and 9.6 respectively to lows of 11.8 and 8.8 in 1965-66 and then increased to highs of 13.9 and 10.4 in 1967-68. These changes can be explained by declining expenditures for unemployment resulting from declining rates of unemployment in the first five years of the period, rising expenditures for health services over the period which increased significantly in each of the last two years of the period, and by differing rates of annual growth in net national income and gross national product as compared to the rate of annual growth in aggregate expenditures. Aggregate growth of 77.6 per cent for social security expenditures over the whole period was somewhat greater than that for net national income of 63.3 per cent and that for gross national product of 65.0 per cent. Expenditures are expected to increase significantly in the next several years because of increasing expenditures under the Canada and Quebec Pension Plans, the Canada Assistance Plan, and medical care insurance. The Canada and Quebec

Pension Plans paid first retirement pensions in January 1967 and first survivors' pensions in February 1968, and while the retirement pensions are partial benefits and the number of beneficiaries receiving retirement pensions and survivors' benefit is still small, payments will grow rapidly as the Plans mature and get under way. Payments have increased under the Canada Assistance Plan and are expected to increase still more, while payments under medical care insurance will increase significantly as more and more provinces come into the Plan and the program becomes fully operational.

Social security programs are operated by all three levels of government with the federal and provincial governments having the main responsibility for administration and financing. In the early years, most programs were concentrated at the municipal and provincial government levels. However, as social security developed to meet emerging social and economic needs, the rising cost of social security became too heavy for the lower levels of government to bear and the federal government had to play an increasingly important role in planning, implementing and financing new and improved programs. Social security expenditures shifted first from municipal to provincial governments and then from the provincial to the federal government. In the 1926-27 fiscal year, the percentage distribution of expenditures was 49.7 per cent federal, 28.6 per cent provincial and 20.7 per cent municipal, whereas in 1967-68 it was 60.8 per cent federal, 37.0 per cent provincial and 2.2 per cent municipal.

Table B shows that the federal government's percentage share of social security expenditures has declined in the seven year period from 1961-62 up to and including 1967-68. The decline was gradual in the first four years of the period, with a significant drop being experienced from the fourth to the fifth year and a relative stability in the percentage shares between federal and provincial governments being established thereafter. At the same time, there were corresponding changes in provincial government expenditures. The reversal from 1964-65 to 1965-66 appears to have been caused by provincial governments playing an increasingly greater role in social security. In part, this is true, but some of the provincial increase is due to a change in financing. The significant federal decline was mainly caused by provincial health expenditures which increased more rapidly than federal health expenditures, and by the effect of the "opting-out" arrangements made available to the provinces. Under the Established Programs (Interim Arrangements) Act a province may "opt-out" of federal-provincial programs, operate and finance these as provincial programs, and receive a tax abatement and an equalization payment from the federal government in lieu of the former federal payment. This financing arrangement has the

effect of increasing provincial government expenditures in relation to federal government expenditures. When the payment was made directly by the federal government it was considered a federal expenditure. However, ,under the new tax arrangement the tax transfer is not counted as a federal health or welfare expenditure but as an expenditure made by the provincial government to whom the transfer is made. Quebec was the only province to use this arrangement but since it used it for all programs under which this arrangement was possible and since expenditures are fairly large in this province, the expenditure shift had a significant impact on the percentage distribution vis-à-vis federal and provincial governments. Payments made in the next several years under the guaranteed income supplement program, which started January 1967, under the Canada Assistance Plan, and under the Canada Pension Plan may counteract the shift in expenditures due to "opting-out" and may tend to show an increase in federal social security expenditures.

Table C shows the distribution of social security expenditures by type of benefit for the period under review. Absolute increases in dollar terms have occurred for old age benefits, family allowances, workmen's compensation, veteran's programs, and health services with a significant increase in the last-named program from $1,125.7 million in 1961-62 to $2,490.6 million in 1967-68. Unemployment benefits declined in the first five years of the period, increased in the sixth year and declined sharply in the final year of the period. The changes in the first six years largely reflected the changing unemployment patterns during this six year period, but the sharp decline in this item in the final year came about because of the difficulty in making allocations by benefit category for expenditures under the Canada Assistance Plan. Prior to the introduction of the Canada Assistance Plan, federal-provincial shared cost programs were primarily categorical. These included the Unemployment Assistance Program which provided assistance to unemployed and unemployable persons. Expenditures for this program were shown as an item under unemployment benefits. However, with the introduction of the Canada Assistance Plan under which the federal government shares in the costs of provincial assistance progams, difficulty in allocating expenditures arose. Payments under provincial assistance programs are made on the basis of need and not because a person is in a particular category eligible for assistance. Consequently, expenditures made under provincial assistance programs (except for health) were shown in the "Other" category. This increased this category significantly in the last year of the period, but resulted in expenditure declines under survivors' disability benefits, and unemployment benefits.

Table D is a comparison of social security expenditures in percentage terms of gross national product for the United States, United Kingdom, New Zealand, Australia and Canada for the fiscal years 1961-62 to 1966-67 inclusive. This comparison is one of expenditures in related programs for all of these countries and covers all of the programs as set out in Table C. In the period Canada has consistently held a middle position with respect to the other countries in terms of percentage of GNP being less than the United Kingdom and New Zealand but greater than Australia and the United States. Table D shows that New Zealand which in the first four years of the period led in percentage terms was replaced by the United Kingdom in the final two years of the period. It also shows that the United States' proportion has increased to match Australia's in the final year of the period.

TABLE A - GOVERNMENT EXPENDITURE ON SOCIAL SECURITY AS A PERCENTAGE OF GROSS NATIONAL PRODUCT AND NATIONAL INCOME, CANADA, FISCAL YEAR 1961-62 TO 1967-68, INCLUSIVE

Item	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67(a)	1967-68(a)
Gross National Product ($'million)	38,202	41,123	44,358	48,364	53,636	59,265	63,016
National Income ($'million)	28,814	31,462	33,458	36,106	40,015	44,130	47,054
Government Expenditure on Social Security ($'million)	3,689	3,899	4,069	4,454	4,727	5,391	6,553
Per Cent of Gross National Product	9.6	9.5	9.2	9.2	8.8	9.1	10.4
Per Cent of National Income	12.8	12.5	12.2	12.3	11.8	12.2	13.9

(a) Includes estimated data.

TABLE B - GOVERNMENT EXPENDITURE ON SOCIAL SECURITY: TOTAL AMOUNT, PER CAPITA AMOUNT, AND PERCENTAGE DISTRIBUTION, BY LEVEL OF GOVERNMENT, CANADA, FISCAL YEARS 1961-62 TO 1967-68, INCLUSIVE

Fiscal Year	Federal	Provincial	Municipal	Total
	Expenditures (millions of dollars)			
1961-62	2,577.1	1,004.3	107.8	3,689.2
1962-63	2,683.5	1,097.7	117.3	3,898.5
1963-64	2,801.0	1,166.8	101.2	4,069.1
1964-65	2,969.7	1,376.1	108.2	4,454.0
1965-66	2,883.5	1,714.3	129.6	4,727.4
1966-67	3,243.1	2,017.7(a)	130.0(a)	5,390.8(a)
1967-68	3,986.5	2,426.6(a)	140.0(a)	6,553.1(a)
	Per capita expenditures (dollars)			
1961-62	140.34	54.69	5.87	200.90
1962-63	143.44	58.68	6.27	208.39
1963-64	146.95	61.22	5.31	213.48
1964-65	152.92	70.86	5.57	229.35
1965-66	145.80	86.68	6.56	239.04
1966-67	160.88	100.10(a)	6.45(a)	267.43(a)
1967-68	194.01	118.10(a)	6.81(a)	318.92(a)
	Percentage distribution			
1961-62	69.9	27.2	2.9	100.0
1962-63	68.8	28.2	3.0	100.0
1963-64	68.8	28.7	2.5	100.0
1964-65	66.7	30.9	2.4	100.0
1965-66	61.0	36.3	2.7	100.0
1966-67	60.2	37.4(a)	2.4(a)	100.0
1967-68	60.8	37.0(a)	2.2(a)	100.0

(a) Estimated.

TABLE C - GOVERNMENT EXPENDITURE ON SOCIAL SECURITY, BY TYPE OF BENEFIT, AMOUNT AND PERCENTAGE DISTRIBUTION, CANADA, FISCAL YEARS 1961-62 TO 1967-68, INCLUSIVE

Type of Benefit	1961-62		1962-63		1963-64		1964-65		1965-66		1966-67		1967-68	
	Thousands of dollars	%	Thousands of dollars	%	Thousands of dollars	%	Thousands of dollars(1)	%	Thousands of dollars(1)	%	Thousands of dollars(1)	%	Thousands of dollars(1)	%
I Old Age Benefits	686,729	18.6	810,740	20.8	886,807	21.8	975,276	21.9	1,022,183	21.6	1,143,332	21.2	1,425,210	21.7
II Survivors	36,997	1.0	36,505	0.9	36,914	0.9	36,371	0.8	39,997	0.9	49,300	0.9	199	(2)
III Family Allowances	527,918	14.3	543,683	13.9	552,401	13.6	588,311(3)	13.2	618,520(3)	13.1	625,448(3)	11.6	718,813(3)	11.0
IV Unemployment Benefits	621,609	16.9	579,843	14.9	559,676	13.8	553,355	12.4	540,794	11.4	610,876	11.4	486,436	7.4
V Disability Benefits	38,375	1.0	45,777	1.2	47,064	1.2	54,231	1.2	61,800	1.3	55,208	1.0	36,111	0.6
VI Workmen's Compensation(4)	94,181	2.6	104,523	2.7	111,651	2.7	124,286	2.8	141,604	3.0	173,410	3.2	190,000	2.9
VII Maternity Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII Health Services	1,125,668	30.5	1,247,245	32.0	1,333,751	32.8	1,541,933	34.6	1,680,904	35.6	2,018,153	37.4	2,490,625	38.0
IX Veterans Pensions and Allowances	258,912	7.0	263,672	6.8	262,548	6.4	279,930	6.3	293,844	6.2	307,988	5.7	313,206	4.8
X Other	298,844	8.1	266,539	6.8	278,260	6.8	300,304	6.8	327,734	6.9	407,059	7.6	892,457(5)	13.6
XI Total	3,689,233	100.0	3,898,527	100.0	4,069,072	100.0	4,453,997	100.0	4,727,380	100.0	5,390,774	100.0	6,553,057	100.0

(1) Includes provincial and municipal data of a preliminary nature.

(2) Less than 0.05 of one per cent.

(3) Includes Youth Allowances.

(4) Cash benefits; medical aid and hospitalization under this program are included in Item VIII.

(5) Payments under provincial assistance programs covered by the Canada Assistance Plan are made on the basis of need and recipients include aged, survivors, unemployed and disabled persons, but no breakdown by category is available. The total for the program, estimated at $637,000,000, is included in Item X, "Other".

TABLE D - GOVERNMENT EXPENDITURE ON SOCIAL SECURITY AS PERCENTAGE OF GROSS NATIONAL PRODUCT, NEW ZEALAND, UNITED KINGDOM, CANADA, AUSTRALIA AND THE UNITED STATES OF AMERICA, FISCAL YEARS 1961-62 TO 1966-67, INCLUSIVE

Country	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67
New Zealand	12.4	11.9	11.5	11.1	11.0	11.1
United Kingdom	10.1	10.2	10.8	10.5	11.4	11.6
Canada	9.6	9.5	9.2	9.2	8.8	9.1
Australia	8.3	8.0	7.9	7.6	7.8	7.8
United States of America	7.0	7.0	6.9	6.7	7.0	7.8